



No. 27,903

Saturday June 30 1979

***15p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 16; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE F 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Ptas 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

Basque Separatist ETA stepped up its attacks on Spanish resorts...

Journalist investigations that Pakistan developing a nuclear are beaten up in an I street yesterday...

Police hunting of 11 women in the England published a ought to be written by three Ripper, in which to his murders as a

General Sir Francis de W, chief of staff to Lord and one of the of the Allied victory at, died at his Cannes ed 79.

Bjorn Borg, in his astating form so far at it's Wimbledon, beat's Hank Pfister 4-1, 3-1. The defending champion, Martina wa, from Czechoslovakia, Rosic Casals of the 3, 6-3. Page 14

Alexander Haig, 54, ped a bomb attempt on in Brussels on Monday, as NATO's Supreme der in Europe.

an 50,000 supporters Marxist People's a guerrilla organisation cated in Tehran against thward drift of the revolution.

Resolution should be y October 15 but that if Carter should make decision. Page 2

resident Jake Eccleston appeal at Nottingham Court against fines totalt after incidents on a line.

Yogi in New Delhi has to use his powers to the U.S. falling slyah teching earth.

four people were killed injured in Iowa torna-combers at Liege prison to their cells.

BP is selling 22 per cent of its Continental refinery and 20 per cent of its Swedish distribution system to the State-owned Svenska Petroleum. Page 22

PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

Tough bargaining ends with import limits deal

Summit agrees on common oil strategy

BY REGINALD DALE IN TOKYO

THE WORLD'S seven leading industrialised democracies agreed at the Tokyo economic summit yesterday on what they called "a common strategy" to combat the oil crisis...

Canada and Japan. It also seems likely that the decision will provoke further difficulties in the EEC. The four participating EEC countries agreed to "recommend to their Community partners" that each member should specify its contribution to the overall Community import target set at last week's EEC summit in Strasbourg.

Unresolved differences of national interest mean that oil-import targets vary from country to country. But a broad compromise was finally struck, in which the U.S. has agreed on a medium-term objective of limiting imports to 8.5m barrels a day in 1985...

Col. GADDAFFY, the Libyan leader, has said he has decided to stop all oil exports from Libya for up to four years. The statement, published in the Arabic magazine Mostaqbil after an interview last Monday, caused alarm on Wall Street where trading in the shares of Occidental and Marathon, the two U.S. oil companies most heavily dependent on Libya, had to be suspended.

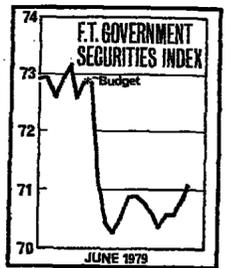
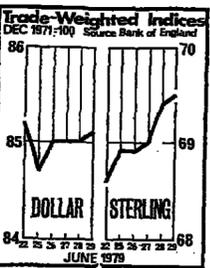
Times may reappear soon after Thomson talks

BY ALAN PIKE, LABOUR CORRESPONDENT

THE TIMES and its sister newspapers could appear again in a few weeks after agreement yesterday between Lord Thomson of Fleet, chairman of the International Thomson Organisation, which owns Times Newspapers, and Mr. Joe Wade, general secretary of the National Graphical Association...

Intervene

The trade-weighted index, calculated before the late rise in the pound, rose by 0.1 points to 69.5, an appreciation of 3.1 per cent since the Budget. Over the last week the Bank of England has continued to intervene on a relatively small scale and has allowed most of the demand to be reflected in the exchange rate.



Pound climbs to \$2.18

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING was in strong demand again yesterday, rising above \$2.18 for the first time since mid-July 1973. The pound's strength reflects Britain's favoured status as an oil-producer at a time of rising oil prices. Overseas interest now appears to be working through to the gilt-edged market and probably contributed to the rapid exhaustion yesterday morning of the 1984 short-medium dated tap stocks.

Changes

Any further moves would probably concern portfolio investment controls, since relaxations in this area might have the biggest impact on capital flows. Most of the preparatory work has already been done for any further changes.

Table titled '£ in New York' showing exchange rates for 1 month, 3 months, 6 months, and 12 months.

Lloyd's underwriters sued

BY JOHN MOORE

FIFTY-FIVE UNDERWRITING syndicates at Lloyd's of London are being sued for a total of \$590m (£257m) by Federal Leasing of the U.S. It is the largest legal action in which the Lloyd's insurance market has become involved.

Contents

Table of Contents listing various sections and their page numbers.

Advertisement for Schlesinger Extra Income Trust, featuring a 9.0% per annum return and various investment options.

WORLD REACTIONS TO THE TOKYO SUMMIT

U.S. oil target 'can be achieved'

BY DAVID LASCELLES IN NEW YORK

THE 8.5m barrel-a-day import target for 1985 agreed by President Carter at the Tokyo Summit could be achieved, energy experts here believe.

But only if the U.S. moves ahead with plans to improve conservation, raise fuel prices and boost non-oil energy supplies.

As the world's largest oil importer and energy-consumer, the U.S. has a special responsibility to cut demand.

But although Mr. Carter has got far had little success in delivering the promise he has made on energy, he must be counting on the rapidly-mounting concern in both Congress and among the public about the energy crisis to see him through.

The U.S. could have a tough time meeting the target, but it represents a victory in one sense for Mr. Carter. The 8.5m figure marks the highest level that U.S. imports ever reached—in 1977.

They dropped last year because of the start of Alaskan production, and would probably have gone back up to 8.5m again this year but for the world oil crisis.

In other words, Mr. Carter has pledged to hold U.S. oil consumption at its present level of around 19m barrels a day.

(It was not immediately clear whether the Tokyo agreement would allow U.S. oil imports to rise above 8.5m in the intervening years before declining to 8.5m by 1985.)

The widening gap between level oil supplies and the country's growing energy demand will have to be met in several ways, many of them still being thrashed out in the Administration and Congress.

The biggest is conservation, and here the U.S. record is better than is widely believed. While total energy consumption rose at an annual rate of 4.1 per cent between 1980 and the Arab oil embargo of 1973, it has risen at less than half that rate since then, because of the trends towards smaller cars, the more widespread use of insulation, and other energy-saving techniques.

Energy experts believe there are still substantial savings to be made here, particularly in vehicles, interior climate control and energy-saving machinery. Meanwhile, popular awareness of the energy crisis has grown.

Conservation will also be helped by the sharp rise in fuel prices arising both from Mr. Carter's programme to decontrol domestic oil prices, and from the actions of OPEC, which can now find their way more

directly into the U.S. economy. Petrol prices have already doubled in the past six months, though they still have some way to go before they reach European levels.

The strategy in the coming



President Carter

years will be to divert as much oil as possible into transport, which has few fuel alternatives, and encourage use of other fuels for power generation and heating.

present has a large surplus of coal-producing capacity which could be put to use once the environmental and transport obstacles have been overcome.

The natural gas industry is being decontrolled, and while rising in price, gas is also expected to increase its share of the fuel balance in the years ahead.

The prospects for nuclear power took a sharp knock after the Three Mile Island accident. But Administration officials still hope that it will come to play a major role once the public adjusts to the new energy-short era.

Mr. Carter has promised more initiatives on energy in the coming weeks, and the signs are that he will find Congress more amenable than before.

Roger Boyes writes from Bonn: Mr. Ray Marshall, U.S. employment secretary, yesterday urged the oil-producing countries to recycle a substantial portion of the cash from the latest price rises and thus soften the blow to the Western employment markets.

Mr. Marshall, speaking at a joint news conference here with Herr Herbert Ehrenburg, German Labour Minister, said that the energy crisis and in particular the latest oil price rise, would probably drive up the unemployment rate in the U.S. from 5.8 per cent to 6.5 per cent in 1979-80.

EEC bound to limit imports

By Sue Cameron

THE EUROPEAN Economic Community is to keep its oil consumption down to 500m tonnes—10m barrels a day—during 1979, according to the communiqué which emerged from the Tokyo summit yesterday.

Common Market oil imports are also to be kept at 1978 levels between 1980 and 1985. France, Italy, West Germany and the UK—the EEC countries represented in Tokyo—are to recommend that all members of the Common Market accept a specified cutback in their oil imports.

Official sources said yesterday that arrangements for cutting back EEC oil imports to last year's levels seemed to have been kept deliberately vague. There was no indication of how the import cuts would affect the UK but it seemed likely that, because Britain was an oil producer, a special scheme would have to be organised for it.

Last year the UK imported 66m tonnes of oil, produced 52m tonnes from the North Sea and consumed 99m tonnes. North Sea production is increasing steadily—the UK is now producing enough oil to meet 55 per cent of its domestic demand—and a cut in British oil imports would be a relatively painless matter.

The Tokyo communiqué states that Japan, Canada and the U.S. are to achieve "the adjusted import levels to which they are pledged in the International Energy Agency" for 1979.

Government and oil industry sources said yesterday that they had no knowledge of any of these countries committing themselves to a cut in oil imports within the IEA. But it is thought that President Carter, who arrived early in Tokyo, may have agreed on an oil import cut with the Japanese. Canada may have followed.

It is possible that all three countries then informed the IEA of their plans to "adjust" their oil imports.

Howe reaffirms the need to control money supply

By REGINALD DALE

THE LATEST OPEC oil-price increase should not add significantly to the expected UK inflation rate, Sir Geoffrey Howe, Britain's Chancellor of the Exchequer, said at the end of the seven-nation summit here last night.

His recent Budget had taken account of an impending oil-price rise, he told a Press briefing.

The OPEC increase would reaffirm the need for money supply measures to combat inflation, Sir Geoffrey said. But he pointed out that the probable consequent strengthening of the UK exchange rate would have a compensatory effect.

Sir Geoffrey said he believed in the fairly accurate reports that the OPEC decision would put around 10p a gallon on pump prices of petrol in Britain.

He was dismissive, however, of suggestions that energy costs should somehow be removed

from the retail price index. They will still only be a relatively marginal factor, and people would anyway have to spend less on other things as energy prices rose.

UK officials pointed out that the inclusion of oil costs in the retail price index between January, 1974, and January this year had actually kept it down. Energy prices had been rising less than others during that period, they said.

Mrs. Margaret Thatcher, the Prime Minister, told a Press conference that the Government would not "take its eye off" the UK inflation rate.

Britain, as an oil producer, was not insulated from the damaging effects of oil-price increases, which meant that other countries had less money with which to buy British exports.

The U.K. must not try to buy its way out of these difficulties

with printed money, she stressed. There was more scope for industrial productivity increases in the U.K. than elsewhere, although British agriculture and commerce were

affected. The Prime Minister reaffirmed the importance she attached to nuclear energy while accepting that public opinion needed to be reassured about its safety. The Government, however, had no immediate specific nuclear decisions in mind, she said.

Mrs. Thatcher said the summit decision to set national oil import quotas for EEC countries would have no effect on the U.K., which was in an

case aiming for a net oil imports in the years 1980 to 1985.

In the summit communiqué the U.K. agreed to freeze imports at its 1978 figure (40m tonnes), which should provide ample leeway, officials said.

Compromise reached on windfall profits tax

BY DAVID BUCHAN IN WASHINGTON

A COMPROMISE windfall profits tax has emerged from the House of Representatives that would tax 60 per cent of the extra profit which oil companies will garner as price controls are phased out over the next two years. This is stiffer than the 50 per cent rate proposed by President Carter in April, but less than the 70 per cent tax take, voted by the House Ways and Means Committee.

The tax plan now goes to the Senate, where it is likely to be

further chopped and changed. A motive behind the original Ways and Means version was that any proposal reaching the Senate Finance Committee is likely to be watered down by its chairman, Senator Russell Long of Louisiana. Louisiana is an oil producing state, and Senator Long a man generally considered sympathetic to the oil industry.

The House-passed tax Bill would, it is estimated, raise \$23.3bn over the next five years out of oil company profits, not

only from the decontrol of domestic prices but also from higher OPEC prices for world oil. This is \$2bn more than the estimated revenue from President Carter's proposal over the same period.

As passed by the House, the tax Bill bears more on oil currently produced and compared to the Ways and Means Committee version. It weakens the tax provisions on newly discovered oil and on oil from marginal wells that require expensive methods of extrac-

tion. The House Bill also ends, in 1990, tax on the extra profit that oil companies will gain from general price increases by the Organisation of Petroleum Exporting Countries (OPEC).

The legislation creates an energy trust fund into which proceeds from the windfall tax would be paid. The Carter Administration proposed this in order to fund research and development of alternative energy sources, such as solar power, and to provide extra money for public transport.

OVERSEAS NEWS

Basque bomb campaign is new challenge to Madrid

BY ROBERT GRAHAM IN MADRID

THE WELL co-ordinated bombing campaign by militant Basque separatists in southern Spain's tourist resorts at the beginning of the peak summer season, has presented a new challenge to the Government.

It also marks a new departure in the tactics used by the Basque separatist organisation ETA. Three bombs went off in Spanish holiday resorts yesterday. Earlier this week, four bombs exploded in Costa del Sol resorts and a further bomb was defused.

On Tuesday and Wednesday, bombs exploded at Fuenlabrada and Torremolinos; while yesterday two bombs exploded at Benidorm and one was defused at Malaga.

In each case, warnings were telephoned in advance and there were no injuries although

yesterday one bomb went off in the grounds of a Benidorm hotel.

The bombings have been claimed by the grouping within ETA, known as "Politico Militar." This grouping carries out actions of a political nature and does not usually associate itself with killings, carried out usually by ETA-Militar.

In statements to local radio stations in Bilbao, this grouping has said the bombings are to protest against the Government policy of keeping some 100 alleged ETA prisoners in one jail under special security guard at Sorria, just outside the Basque country.

Normally, ETA confines its actions to the Basque country. The bombing incidents are being seen here as a warning to the Government, that ETA can

—though not necessarily will—disrupt the vital tourist industry.

This is a vulnerable period, since over the next two months, the bulk of Spain's \$3bn tourist earnings are expected.

Officials have insisted that there has been little concern among tourists in these resorts. Indeed, the officials seem more worried by the reactions of impending tourists outside Spain and more particularly, the attitude of the tour operators.

City of London police were yesterday examining a letter warning that British tourists heading for popular Spanish holiday resorts could face terrorist bombs. The letter was one of two claiming to be from ETA and delivered to the Press Association.

U.S. leading indicators rise 0.4%

By Jurek Martin, U.S. Editor, in Washington

THE U.S. index of leading economic indicators, which points to future economic activity, rose by 0.4 per cent in May, reversing April's sharp decline.

The improvement does not, it is widely agreed here, mean that the downward trend in the economy has been halted.

The May figures should be seen more as a reaction to the aberrantly bad month of April when a variety of special factors combined to worsen already declining economic output.

In fact, the Commerce Department revised the April returns to show a drop in the index of 2 per cent, compared with the originally-estimated record fall of 3.3 per cent.

If the index changes direction up or down for three months in a row, it is supposed to herald a change in economic fortunes.

In the first six months of the year, it has declined only twice, in January and April. This is not an infallible guide and its evidence has to be matched against the preliminary calculations put out this week by the Commerce Department that real Gross National Product may have declined by more than 2 per cent in the present quarter.

Dutch Cabinet finalises land reform Bill

By Charles Batchelor in Amsterdam

THE DUTCH Cabinet has agreed the final details of a Bill aimed at giving owners fair compensation for land acquired by local authorities for development projects.

It was over this issue that the previous Government fell in March 1977.

The new Bill, which will probably be presented to Parliament some time in the new Parliamentary year beginning at the end of August, takes the market value of land as the basis for compensation.

This will then be adjusted to nullify, for example, the effect of proposed housing developments on the price of farming land.

The present Centre-Right Government has already agreed that local authorities should be given priority in buying land for development. It is also proposing that purchasers of farming land should have some agricultural qualifications, to cut out

House gives Carter final say on Rhodesia boycott

BY DAVID BUCHAN IN WASHINGTON

THE U.S. House of Representatives has let President Carter off the hook on Rhodesia sanctions, by giving him the final say on whether the U.S. national interest would be served by removing the trade boycott.

By a sweeping majority of 350 to 87, the House approved a resolution that sanctions against the new Salisbury Government should be lifted by October 15, but which included the all-important caveat that the President should make the final determination on this.

The size of the House majority vote was predictable, because the resolution had earlier been unanimously approved by the House Foreign Affairs Committee.

Also, because the anti-sanctions lobby has never been as vociferous or as well-organised in the House as in the Senate, and because the recent armed attacks on Zambian targets, ordered by Prime Minister Abel Muzorewa's Government, have given many members pause about endorsing the new Salisbury regime now.

The Congressional outcome on sanctions is not yet decided. The House action must be reconciled with a contrary vote by the Senate earlier to lift the trade boycott immediately, leaving no discretion to Mr. Carter.

But Mr. Carter can now, as he has threatened to do, veto any sanctions-lifting Congressional

order with impunity, in the knowledge that in the House at least, there would not be enough votes to override him.

Tony Hawkins adds from Salisbury: Zimbabwe Rhodesia special branch police yesterday searched the home of the Rev Ndabaningi Sithole, looking for weapons, but none were found, a ZANU spokesman said. Police confirmed the search by five white and four black policemen, but would give no details.

Last week six young members of Mr. Sithole's ZANU were sentenced to a total of 45 years imprisonment—19 of which were suspended—on charges of possessing arms of war—nine hand grenades.

U.S. President flies to Seoul

BY RICHARD C. HANSON IN TOKYO

PRESIDENT CARTER will meet President Park Chung Hee this weekend in his first official visit to South Korea, during which discussions will be held on America's suspended plans gradually to withdraw U.S. ground troops.

A final review of the plan will have to wait Mr. Carter's return to Washington. But talks with Japanese officials during the U.S.-Japan bilateral summit talks earlier this week led the Japanese—who oppose withdrawal—highly appreciative of the present U.S. attitude.

Speculation insists that Mr. Carter will try to meet with Opposition leader (and one-time candidate for president) who has spent much of his time under house arrest since being kidnapped from a Tokyo hotel in 1973.

Kim Dae Jung was put under house arrest again recently after publicly supporting the

new leader of the opposition New Democratic Party (NDP), Mr. Kim Young Sam who has vigorously opposed the present Government.

The NDP's Kim Young Sam will have an opportunity to meet Carter briefly during a visit to the National Assembly, when Mr. Carter will meet some 30 legislators.

Kim Young Sam, long an active opponent of President Park, accused the Government earlier this month when he announced a willingness to meet with representatives of North Korea to discuss reunification.

The reasoning was that NDP strength in the last election—when it won more votes than the ruling Democratic Republic Party of President Park—gives it some right to take part.

This was a strong challenge to the Government which jealously guards its position as sole route for contact with the

North. Kim Young Sam was warned by authorities and has since toned down his remarks while maintaining he has the right to make them. It is not known whether the Government will take action against him.

Meanwhile, the North Koreans have been stepping up their own campaigns in the North-South struggle. On Thursday, Mr. Ho Dan, North Korean Foreign Minister, used a reception for a visiting Sri Lankan delegation as an opportunity to say it would be willing to accept South Korea as one party in trilateral talks with the U.S.—which it previously had not been willing to do.

Diplomats in Tokyo doubt that the latest North Korean gesture will have any influence on the U.S. and South Korea. The North Korea message was not clear enough to be taken seriously.

Asians avoid clash with Hanoi

BY OUR FOREIGN STAFF

SOUTH EAST ASIAN foreign ministers yesterday appeared determined to avoid a major confrontation with Vietnam over the "boat people".

One senior official of the Association of South East Asian Nations, which groups Indonesia, Malaysia, the Philippines, Singapore and Thailand, said: "We do not want to press the panic button at this stage. We will continue our negotiations with Vietnam." The meeting is considered unlikely to adopt any measures such as, for instance, breaking off diplomatic relations with Hanoi.

The foreign ministers of

ASEAN are meeting on the Indonesian island of Bali and will be joined today by the Foreign Ministers of the U.S. and Japan. On Thursday President Jimmy Carter announced that the U.S. would double its monthly intake of refugees from Indochina to 14,000 as part of an agreement by the seven nations meeting at the Tokyo summit.

Officials attending the Bali conference say that the ASEAN ministers are expected to maintain their demand that Hanoi accept the prime responsibility for the refugee crisis and carry out a programme it has agreed

with the United Nations High Commission for Refugees that it will regulate emigration.

Mr. Iltter Turkmen, special envoy of the UN who is attending the Bali meeting as an observer, said yesterday that he hoped a compromise solution would be found. He disclosed that Japan had shown keen interest in financing the international conference.

In Dublin, however, Mr. Michael O'Kennedy, president designate of the EEC Council of Ministers, warned that the EEC may stop aid to Vietnam unless it takes action to halt the flood of boat people.

Nicaragua peace move rejected

BY HUGH O'SHAUGHNESSY

THE ANTI-SOMOZA provisional Nicaraguan Government based here and its Sandinista guerrilla allies are continuing to reject moves by Washington to persuade them to come to terms with representatives of the Somoza régime.

Washington aims to create a Government of pro-Somoza and anti-Somoza elements, which would run the country after the departure of Gen. Somoza himself.

The provisional Government has given assurances that it intends to introduce a mixed economy in Nicaragua after the overthrow of President Somoza, in which private enterprise would be respected and a Parliamentary political process established.

But the Carter Administration is still distrustful of the anti-Somoza forces and is emphasising

the help which it claims they have had from the Castro Government.

Despite intense pressure on the general from the Sandinista guerrillas, and diplomatically from Washington and many Latin American States, Gen. Somoza continues to say he will not quit till the end of his "constitutional term" in 1981.

Mr. Lawrence Pezzullo, the new U.S. envoy to Nicaragua, arrived by military aircraft at Managua on Thursday and had an immediate interview with Gen. Somoza, bringing him a personal appeal from President Jimmy Carter to quit.

U.S. officials emphasise that Mr. Pezzullo did not formally present credentials to the General.

Mr. William Bowdler, the veteran U.S. ambassador who attempted to persuade Gen.

Somoza to quit after the fighting in August and September last year, arrived in San Jose, Costa Rica, for talks on Thursday with President Rodrigo Carazo.

In the talks, he is believed to have pressed the Costa Rican leader to refuse all new supplies to the Sandinista guerrillas, who up till now have used Costa Rica as an important staging post.

Our Foreign Staff adds: The British Government and the EEC yesterday put their weight behind the demands for the resignation of President Anastasio Somoza of Nicaragua.

The British Foreign Office said it hoped the Somoza régime would quickly be replaced by a democratic one. It also deplored Somoza's bombing of his own capital and the loss of life in the country's civil war.

Democracy poster attacks Wang

BY JOHN HOFFMANN IN PEKING

A NEW wallposter attack has been mounted against the unpopular but influential Wang Dongxing, a vice-chairman of the Chinese Communist Party Politburo.

A large poster has appeared in Peking's Democracy Wall, alleging that Mr. Wang has misappropriated State funds to build palatial accommodation for his family.

It calls for his removal from office and prosecution for alleged embezzlement. Signed by the editorial board

of the intellectual publication Peking Spring, the poster claims that Mr. Wang used about 7m yuan (about £2m) to put up housing covering about 3,000 sq. metres.

The poster says he had spent the money on the pretext of renovating old buildings in the Changchun compound in Central Peking where members of the State and Party leadership have their homes and offices.

Public housing for 1,000 people could be built for that amount, the poster adds.

Mr. Wang was the subject of intense criticism during the wallposter activity which flourished in Peking late last year, when serious accusations were made about his affiliations with the Gang of Four.

Strong rumours have circulated several times this year that Mr. Wang might be removed from his posts.

The anti-Wang poster has appeared at a time when wallposters are under rigorous discussion by delegates to the meeting of the National People's Congress.

FINANCIAL TIMES published daily except Sundays and public holidays. U.S. subscription rates \$36.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

UK NEWS

NEWS ANALYSIS—BANK MERGERS

Midland rounds off U.S. acquisitions

BY STEWART FLEMING AND MICHAEL LAFFERTY

MIDLAND BANKS proposed £240m (\$520m) acquisition of the Walter E. Heller International financial conglomerate...

European-American approach in the U.S. has already been demonstrated by the decision of Deutsche Bank...

Unique

Nevertheless it is fair to say that Midland Bank has selected a unique path for its U.S. expansion...

Most foreign banks expanding in the U.S. have followed what might be termed a traditional strategy...

pany whose main business has been asset-based financing—lending to companies against security—and which moved into the banking business only in 1973...

The fact that Walter E. Heller is a bank holding company as a consequence of its purchase of American National Bank and Trust does mean, however, that the deal will have to be approved by the bank regulators...

Midland, naturally enough, is putting a brave face on this, at least in so far as the implications for its existing U.S. banking interests—the stake in Standard Chartered and European American Bank—are concerned...

render interests before the participants sit down.

The fact remains, however, that if Midland could be declared a controller of both Standard Chartered and E.A.B. its shareholdings lie in the grey area of between 5 and 25 per cent shareholding...

Midland's best hope is that it will be able to bank on the E.A.B. interest, perhaps arguing that there are other big shareholders and therefore its stake is not a controlling one.

Concern

Whether or not it is required to direct itself of one or both of these investments could prove as much on the political as the legal climate in the U.S. Once again there are signs in Washington of growing concern about the wave of foreign bank expansion...

The resolution is apparently unlikely to pass Congress this session, indeed it may never pass. But with the furor in New York over the Hongkong and Shanghai-Marine Midland deal...

Congressional hearings in Washington on July 16 will raise these and other international banking issues.

The heavy commercial (as opposed to consumer) orientation of this business must be attractive to Midland, which has a similar leaning. But more important, Heller has 32 offices in 35 big U.S. cities...

LABOUR

Postal engineers defer industrial action

BY PHILIP BASSETT AND JOHN LLOYD

POST OFFICE engineers yesterday postponed industrial action over pay which was due to begin tomorrow over their 25 per cent pay claim.

The executive of the 124,000-strong Post Office Engineering Union decided not to take action "at this stage" after union negotiators told it they were making progress in talks with the Post Office...

The union had warned that it would take action, including an overtime ban and selective strikes, which could block out television programmes and delay telephone repairs...

It has rejected a pay offer of 9 per cent with further rises of 3.7 per cent for grade restructuring. Negotiators will press next week for increases in the 9 per cent offer.

to be approved by a special conference in November. Mr. Tom Jackson, general secretary of the Union of Post Office Workers, said yesterday that the post "could face the worst summer ever" unless major agreements are reached between the union and the corporation.

Warning Mr. Jackson, who said "I have never seen the Post Office in such a condition in the 40 years I've been in it," listed three elements essential to bring the corporation back to efficiency: Consolidation of allowances and overtime rates which would help particularly to raise the take-home pay of postmen higher grade—who sort the mail—a sector where shortages are particularly acute.

A second increase this year of around 7 per cent to bring postmen to the "going rate." They settled for 10 per cent earlier this year on the understanding that a further rise could be negotiated, once it was clear what other corporation staff would receive.

Changes in the settlement may be affected by arbitration findings in the case of Lloyds Bank managers and conciliation, due next week, for Midland computer staff.

The bank's offers involve about 12 per cent new money, consolidation—worth 1.5 per cent—of a 5 per cent productivity deal, improved London supplements worth another 1.5 per cent on the overall salary bill, and two extra days' holiday.

Bank award irks staff

BY NICK GARNETT, LABOUR STAFF

A PAY OFFER which union negotiators rejected will nevertheless be applied by Barclays Bank to its 35,000 clerical staff. The other four clearing banks, which have had the same offer rejected, are considering following suit.

The executive of the Banking, Insurance and Finance Union has authorised one-day strikes by Midland Bank computer staff over a previous offer and is balloting members in five areas on whether they wish to join the action.

The union is also conducting a survey of its members in the five clearing banks on whether they want to accept the offer and on industrial action if they do not.

Mr. David Dines, the union's assistant secretary, said the union was "not prepared to accept a non-negotiated pay settlement."

Mr. Eddie Gale, general secretary of the Barclays Group Staff Association, the biggest staff body in Barclays, described the bank's action as "arrogant presumption."

The association's general committee will meet on July 9 to consider what action it can take. In the meantime the association is taking the salary rises as a step towards a full settlement.

The banks say they have made their final offer, Barclays said yesterday that it was prepared to continue discussions with the staff bodies but would not expect these to change the basic elements of the offer.

recognised, it said, that staff did not want their scheduled pay rises delayed.

Changes in the settlement may be affected by arbitration findings in the case of Lloyds Bank managers and conciliation, due next week, for Midland computer staff.

The bank's offers involve about 12 per cent new money, consolidation—worth 1.5 per cent—of a 5 per cent productivity deal, improved London supplements worth another 1.5 per cent on the overall salary bill, and two extra days' holiday.

Chrysler assembly workers strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MORE THAN 2,000 Chrysler UK workers walked out on indefinite strike last night in the face of another warning from the company that the effects would be "extremely damaging."

The men at the Ryton assembly factory, Coventry, are protesting at the annual pay offer that according to the company would add 13 per cent to the wage bill. The 3,000 workers at the nearby Stoke engine plant, Coventry, are expected to take similar action on Tuesday.

In a last-minute appeal, the company said that under the proposed deal pay rates for production workers would be better than those offered by Ford, Vauxhall and BL Cars.

Chrysler had lost £130m in the last five years, was expected to lose £30m this year and could not afford to add to the proposed increase in basic wages. The way to higher earnings, according to the company, is through an incentive scheme which management is prepared to discuss with the unions.

Chrysler UK, which was taken over at the beginning of this year by PSA Peugeot-Citroen, has already said industrial action would almost certainly mark the start of a run-down in the company's size.

Magistrates' court staff in inner London, members of the Society of Civil and Public Servants, yesterday voted overwhelmingly to strike if pay negotiations broke down.

The union said it would put the case of the 80 staff, whose settlement date is July 1, to the staff sub-committee of the Committee of Magistrates, which fixes court staff's pay, subject to Home Office confirmation.

The union is trying to restore links with Civil Service pay levels held by the court staff before 1965.

Hope of early ruling on Civil Service dispersal

BY PHILIP BASSETT, LABOUR STAFF

MR JAMES PRIOR, Employment Secretary, told Civil Service unions yesterday that he would press for an early announcement on the Government's decision about the future of its dispersal programme, involving about 30,000 Civil Servants.

As part of its Civil Service cost-cutting programme the Government is conducting a wide-ranging review of its dispersal plans, which were destined to move Civil Service jobs from London. Plans have been frozen until the review is completed.

The Government's decision was expected at the end of July, but Mr. Prior yesterday told representatives from four Civil Service unions, who were protesting particularly on behalf of staff due to be transferred to the Manpower Services Commission in Sheffield, that he would press the Cabinet to announce the decision by the middle of July.

The union is trying to restore links with Civil Service pay levels held by the court staff before 1965.

Hunterston unions fail to settle differences

TALKS AIMED at ending an inter-union dispute which has paralysed the £100m Hunterston iron ore terminal in Ayrshire failed to reach a settlement yesterday.

After a meeting at the Scottish TUC headquarters in Glasgow, both sides agreed to refer the dispute back to their head offices. They will also ask Mr. Len Murray, TUC general secretary, to seek a meeting with the employers, the British Steel Corporation.

The dispute is between the Transport and General Workers' Union and the Iron and Steel Trades' Confederation. The TGWU claims that its dockers' members should have the 30 jobs at the terminal. But the ISTC claims it has a prior agreement with the BSC entitling its members to the jobs. No ships have been able to dock at the terminal since it was opened by the Queen Mother four weeks ago. It is estimated the dispute has already cost the BSC millions of pounds.

FT CONFERENCE—DOMESTIC BANKING

UK branches face streamlining

FINANCIAL TIMES REPORTER

NEW TECHNOLOGY in banking will possibly bring to an end the branch network system in the UK by the turn of the century. Mr. Roy Vine, senior general manager of Barclays Bank, said yesterday.

Although Britain was lagging behind many developed countries in the elimination of cash, the installation of automatic teller machines (ATMs) was speeding up UK branch rationalisation, he said at a Financial Times conference on Domestic Banking in London.

"In Barclays we expect to have some 200 ATMs installed through-the-wall in branches by the end of next year, operating 24 hours a day, seven days a week, and by that time handling perhaps 15 per cent of the cash withdrawals made by our customers," said Mr. Vine.

New technology would considerably alleviate one of Barclays' most costly problems. This was the need to change premises as business expanded and counter systems became overburdened.

By the turn of the century, Mr. Vine said, Barclays could have 50 very large branches and 200 large branches. Customers would use plastic cards through ATMs in shops. About 1,500 small money shops would supplement the ATMs with a further 500 service branches.

Branch rationalisation had come under close scrutiny after the 1974 inflation jump when the 300,000 branches showing losses exceeded the normal 5 per cent.

"This brought home strongly to us that the traditional branch network which had grown up in haphazard fashion over the years needed a thorough examination to determine how it should be shaped for the 1980s and 1990s," said Mr. Vine.

Mr. Enrique Mas Montanes, director general of the Banco de Bilbao, said most European banks in the last 20 years had not shown a lack of confidence in the traditional branch network.

Since Franco's death in 1974, the number of banks in Spain had expanded considerably. "For over 30 years, Spanish banks could not follow any real location strategy related to the extremely important changes in population and income."

There had been a pent-up demand which had subsequently been affected by a mass migration to cities.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

network which had grown up in haphazard fashion over the years needed a thorough examination to determine how it should be shaped for the 1980s and 1990s," said Mr. Vine.

Mr. Enrique Mas Montanes, director general of the Banco de Bilbao, said most European banks in the last 20 years had not shown a lack of confidence in the traditional branch network.

Since Franco's death in 1974, the number of banks in Spain had expanded considerably. "For over 30 years, Spanish banks could not follow any real location strategy related to the extremely important changes in population and income."

There had been a pent-up demand which had subsequently been affected by a mass migration to cities.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services; and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services;

THE WEEK IN THE MARKETS

OPEC passes round the hat

week has been dominated by... OPEC passes round the hat... week has been dominated by... OPEC passes round the hat...

of the higher profits expected... OPEC passes round the hat... of the higher profits expected... OPEC passes round the hat...

means that its overseas profits... OPEC passes round the hat... means that its overseas profits... OPEC passes round the hat...

groups are not hard to locate... OPEC passes round the hat... groups are not hard to locate... OPEC passes round the hat...

may have a sounder growth... OPEC passes round the hat... may have a sounder growth... OPEC passes round the hat...

However the companies have... OPEC passes round the hat... However the companies have... OPEC passes round the hat...

Feast to famine... OPEC passes round the hat... Feast to famine... OPEC passes round the hat...

Figures published by the... OPEC passes round the hat... Figures published by the... OPEC passes round the hat...

It is particularly well... OPEC passes round the hat... It is particularly well... OPEC passes round the hat...

BAT interims... OPEC passes round the hat... BAT interims... OPEC passes round the hat...

The share price of BAT... OPEC passes round the hat... The share price of BAT... OPEC passes round the hat...

Building profits... OPEC passes round the hat... Building profits... OPEC passes round the hat...

Producers of building... OPEC passes round the hat... Producers of building... OPEC passes round the hat...

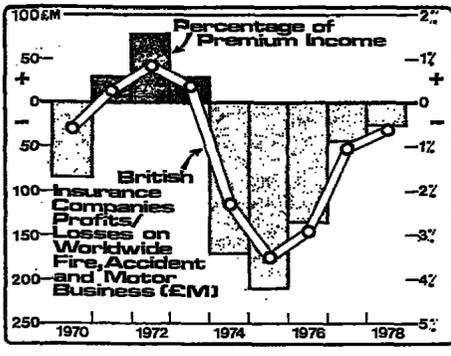
Two companies which have... OPEC passes round the hat... Two companies which have... OPEC passes round the hat...

Despite all this, the interim... OPEC passes round the hat... Despite all this, the interim... OPEC passes round the hat...

TOP PERFORMING SECTORS... OPEC passes round the hat... TOP PERFORMING SECTORS... OPEC passes round the hat...

THE WORST PERFORMERS... OPEC passes round the hat... THE WORST PERFORMERS... OPEC passes round the hat...

Insurance (Composite)... OPEC passes round the hat... Insurance (Composite)... OPEC passes round the hat...



Percentage of Premium Income... 1970 1972 1974 1976 1978

NEW YORK

JOHN WYLES

TO BE buried in lava and... NEW YORK... TO BE buried in lava and... NEW YORK...

Metals has undoubtedly been... NEW YORK... Metals has undoubtedly been... NEW YORK...

In fact, it will be a miracle... NEW YORK... In fact, it will be a miracle... NEW YORK...

None of these developments... NEW YORK... None of these developments... NEW YORK...

It was seen as a study office... NEW YORK... It was seen as a study office... NEW YORK...

The senior editorial staff of... NEW YORK... The senior editorial staff of... NEW YORK...

Mr. Robert Salomon Jr. of... NEW YORK... Mr. Robert Salomon Jr. of... NEW YORK...

potential for stocks must be... NEW YORK... potential for stocks must be... NEW YORK...

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change on 1979, 1979 High, 1979 Low. Rows include Ind. Ord. Index, Govt. Secs. Index, Gold Mines Index, etc.

U.K. INDICES

Table with columns: Average week to, June 29, June 22, June 15. Rows include Financial Times, Govt. Secs., Fixed Interest, etc.

A new Special Situations Trust from Hill Samuel. Large advertisement with stylized text.

Special Situations Trust details. Includes aim of the trust, management expertise, how to invest, and initial offer of 25p each until 6th July 1979.

When you're looking for an exceptional unit linked investment... look for an exceptional Life Assurance Company first. Advertisement for London Life Linked Assurances Limited.

FINANCE AND THE FAMILY

Compliance with a covenant

BY OUR LEGAL STAFF

If a lessee breaks a condition or a covenant of his lease—for instance, erects a fence in his garden where the erection of such a fence is specifically prohibited by a condition of the lease—but the infringement is ignored (though not necessarily agreed to or condoned) by the lessor at the time then is there a time limit on any subsequent action to remedy the breach?

Could, for example, ten years pass—after which the landlord could point to the breach of covenant, and demand that the fence be dismantled? Normally the landlord is entitled to insist on compliance with a covenant, even if he has not done so in the past. However, there may be cases when either by waiver or by estoppel, the landlord may be held to have induced the tenant to believe that the covenant would not be enforced in such a way as to preclude the landlord from reviving the covenant. A recent decision in *Birkorn Investments Ltd v Carr* (1979) 2 WLR 737, but it must be borne in mind that each case depends on its own particular facts: there is no general rule.

Letting not for a holiday

I am having great difficulty in finding a suitable tenant for a London flat. I am told by accommodation bureaux that if one lets to overseas visitors on a holiday let basis, even up to six months or more and even if they are working here and say so, they would have no security of tenure after the period of the let had expired, and also that the Rent Act does not apply to other than UK citizens. Do you think this correct, and should I take the

risk of letting under these circumstances?

We take the view that extreme caution should be exercised in effecting a letting which is intended to be a holiday letting where the tenants make the landlord or his agents aware that they are not using the accommodation for the purposes of a holiday. We disagree with the proposition that the Rent Act 1977 does not apply to foreign nationals—the Rent Act operates in rem and relates to the letting—not just the lessees. The "safeguard" with foreign tenants is that they usually do in fact intend to return to their own country, and in most cases they carry out that intention.

Widow leaving a house

My mother owns a house in which she lets rooms. A short time ago she went into an old peoples home, probably, but not necessarily, on a permanent basis, and her own rooms remain furnished but unoccupied. In view of your remarks under *Widow leaving a house* (April 21) is she still the resident owner-occupier with the right to give notice to lodgers? We think that your mother would still be entitled to claim to be the owner-occupier. Moreover, if the lodgers are true tenants they may well not be tenants, but only licensees; in which case they are not protected by the Rent Act 1977 at all.

Executive and trustees

The constitution of a local charity requires trustees "to

deal with property as the executive committee shall from time to time direct." Despite this some members believe that the trustees have a legal right to dispose of property without the committee's authority. What, please, is your view? We think that the trustees must act in accordance with the lawful directions of the executive committee, and with those alone. Any attempt to dispose of property without such authority could be restrained by injunction.

Earth piled against house

My 1902 house, of sound construction, has a public road running uphill along one side. When the road was made up in 1958 its level covered my damp proof course and air bricks causing damp and rot. My boundary projects slightly beyond my wall. Am I liable for keeping the local authority's earth at bay? While you might have had the right to require the local authority to retain its earth in 1958, the lapse of 20 years will have enabled the local authority to claim the right to use your house wall for that purpose provided that the depth of earth piled against your house is not increased.

An exemption from CGT

I reside in a "tied" house belonging to my employer and under the terms of Section 36 (3) Finance Act 1977 I am allowed Income Tax relief on the mortgage interest on a dwelling I have purchased for my retirement. At present it is

occupied by my daughter on a Grace and Favour basis.

1—If I should sell this house and purchase another one would I be liable for Capital Gains Tax on the profit which could be in the region of £5-6,000? 2—If I sold the house and did not purchase another would the Inland Revenue seek a return of the tax allowed for years ending 5/4/78 and 5/4/79?

On the bare facts given, the answers to your questions are: 1—A portion of the gain (probably the fraction whose numerator is the number of days from July 31, 1978, to the date of the sale contract and whose denominator is the number of days from the date of the purchase contract to the date of the sale contract) should be exempt from CGT, under section 101(8) of the Capital Gains Tax Act 1979; 2—No, because all that matters, under paragraph 4A(1)(b) of schedule 1 to the Finance Act 1974, is your intention at the date on which each payment of interest was made. You may like to read the free booklet (IR11) on the tax treatment of interest paid, which is obtainable from most tax inspectors' offices (with an updating supplement).

Loss of title deeds A small family company of which I am the principal shareholder purchased two properties in 1951. The company has been wound up and the properties let, but the deeds cannot be found. What should we do to establish title in the event of the properties being sold? You should inquire of the

solicitors who acted for you/the company on the purchase in order to ascertain if they still retain any copies of the title deeds. Enquiry should also be made of any bank or solicitors with whom the deeds might have been lodged for safe-keeping. If all else fails you may have to make statutory declarations to show a possessory title, that is, occupation to the exclusion of all others since 1951, and application can then be made to the Land Registry to register the title as a "lost deeds" case. This should be put in hand at once as people who can give evidence as to the use of the property since 1951 may not be available later on.

Transaction a sham

I propose to give my son goods and chattels up to the value of £1,000 in lieu of CTT-exempt cash or investment assets. He has asked me to retain custody and care of the goods (e.g. porcelain, furniture) because he is unable to accommodate them for the time being. After my decease will documentary evidence of this arrangement be accepted for the exclusion of the value of these goods from the CTT liability of my estate? The course proposed is theoretically possible. In practice it presents difficulties both in establishing that there has been a genuine outright gift of the chattels and in rebutting any claim that the transaction is a sham. Much will depend on the particular chattels involved and on the actual circumstances of donor and donee.

Central heating and rates

Referring to your reply under *Central Heating and Rates* (June 2), I find that the Local Government Act 1974 applies to England and Wales only. Does this affect the possibility of my resisting a proposal to raise the assessment on my Glasgow house in respect of a recent installation of central heating? You have noticed correctly that the Local Government Act 1974 relates only to England and Wales. In Scotland there is settled authority that a central heating system is regarded as a heritable fixture and can properly be taken into account by the Assessor when fixing the rateable value of the property.

Liability for ground rent

I have some ground rents on property which has now been demolished. Could you please inform me who is now liable for the ground rent? The fact that the house has been destroyed does not affect the liability to pay the ground rent. The tenant remains the tenant of the land and liable to pay the rent.

Arrears of a pension

Although I retired in October last, a technical difficulty has prevented my pension being paid until next month, and I have commuted a fair amount. As payment of the whole will be in the tax year 1979-80 will the portion due from October to March fall into this year's income, or may I so elect?

Your tax inspector may be content to treat your pension payments as assessable (under paragraph 3 of schedule E) for the year in which they are actually received, if that is what you want. However, if he includes the arrears in a schedule E assessment for the year to which they relate, you have no statutory right to object.

Capital gains on sovereigns

Many years ago I bought several hundred sovereigns on which I could now make a substantial capital gain. Is it correct that they would not attract tax? Unless the coins are of a date prior to 1937, it is correct that they would not attract tax on sale.

Special Money Back Guarantee to Financial Times Readers

If you want the hard work taken out of personal financial planning, Money Management will give you the complete picture in one well presented publication. Fill in the coupon below for a year's subscription, 12 issues, at £16.50. If you are not completely satisfied with Money Management after receiving the July issue (available during June) and August issues and write by August 15th to the Marketing Manager your money will be refunded in full.

To: FUNDEX LIMITED, Freeport, London, EC4A 4GL. I enclose my cheque (made payable to Fundex Limited) for a year's subscription to Money Management at £16.50. I understand that if I am not satisfied with the magazine during the July and August issues and write to you my money will be refunded in full.

(For new subscribers only) (BLOCK LETTERS PLEASE)

Mr/Mrs/Miss Occupation
Company
Address FT6
Reg. Office: Bracken House, 10 Cannon Street, London EC4A 4BY.
Reg. No. 551507

15 reasons why you should read money management

Money Management and Unitholder is the leading monthly magazine on personal financial planning. The following 15 features illustrate Money Management's editorial scope and represent 15 essential reasons why professional financial advisers and interested individuals need the magazine:

- Repayment Versus Endowment Mortgages.
- With Profits Insurance Survey.
- Every month Comprehensive Performance Tables on Unit Trusts, Insurance Bond Funds and Offshore Funds.
- Planning for School Fees.
- Pensions for Self-Employed.
- Financial Advice for Expatriates on Tax Position and Investment Possibilities.
- Executive Pension Schemes—Self Administered and Insurance Linked.
- Share Exchange—How to change your shares for Unit Trusts or Insurance Bonds.
- Commodities as an Investment.
- Comprehensive and detailed Survey of Permanent Health Insurance.
- Guaranteed Growth and Income Bonds.
- How to get over 13 per cent after tax on your savings in just four years.
- Hospital Cash Scheme.
- Diamonds—Risk and Rewards.
- Flexible Endowment Policies Survey.

SPECIAL MONEY BACK GUARANTEE TO FINANCIAL TIMES READERS. If you want the hard work taken out of personal financial planning, Money Management will give you the complete picture in one well presented publication. Fill in the coupon below for a year's subscription, 12 issues, at £16.50. If you are not completely satisfied with Money Management after receiving the July issue (available during June) and August issues and write by August 15th to the Marketing Manager your money will be refunded in full.

To: FUNDEX LIMITED, Freeport, London, EC4A 4GL. I enclose my cheque (made payable to Fundex Limited) for a year's subscription to Money Management at £16.50. I understand that if I am not satisfied with the magazine during the July and August issues and write to you my money will be refunded in full.

(For new subscribers only) (BLOCK LETTERS PLEASE)

Mr/Mrs/Miss Occupation
Company
Address FT6
Reg. Office: Bracken House, 10 Cannon Street, London EC4A 4BY.
Reg. No. 551507

An attorney and tax

Because my daughter was travelling in India when her 1978-79 Income Tax Return came up for signature, and her date of return to England was uncertain, I signed it on her behalf. The Inspector has now written to our accountants: "I regret I cannot accept Power of Attorney to Miss X's father, as signing a declaration in connection with a claim to relief is considered to be a statutory duty which may not be delegated to an Attorney or other agent." Is the Inspector correct?

The inspector is expressing the longstanding view of the Board, which is unlikely to be tested in the Courts but which would

probably be upheld. Virtually the only cases we know of where an attorney's signature has been accepted have been where the taxpayer was incapable of signing (or of understanding the significance of the act of signature).

The Income Tax Acts betray their 19th century origins in their scant treatment of people going overseas, whether temporarily or for good. Emigrants (and immigrants), for example, have to rely on grace-and-favour treatment under concession A13 in booklet IR1: the corresponding capital gains tax concession D2 contradicts the specific legislation passed in 1965 and now re-enacted as section 2(1) of the Capital Gains Tax Act 1979.

There are anomalies in the time limits for appeals by people overseas. Quite reasonably, the time limit for appeals against rejection of claims does not start to run until the taxpayer actually receives the notice of rejection (by virtue of section 42(3) of the Taxes Management Act 1970); on the other hand, the time limit for appeals against assessments runs from the date the notice of assessment is typed (posted), and, since notices are despatched by surface mail normally, will often expire before the notice reaches the addressee. A taxpayer who receives a notice of assessment which has spent more than 30 days in the postal system has no statutory right of appeal, but

can invite the General Commissioners to exercise their discretion to admit late appeals, by virtue of section 49 of the Management Act, and doubtless they would do so. Similarly, it is to be hoped that the Board and General Commissioners would exercise their discretions to mitigate penalties incurred (or potentially incurred) as a result of the failure of Parliament to make provision for people travelling or living overseas. As the work of General Commissioners is watched over by the Council on Tribunals, you may wish to take your concern further by writing to the Council's secretary (perhaps after talking to your colleagues and to your clerk).

can invite the General Commissioners to exercise their discretion to admit late appeals, by virtue of section 49 of the Management Act, and doubtless they would do so.

Similarly, it is to be hoped that the Board and General Commissioners would exercise their discretions to mitigate penalties incurred (or potentially incurred) as a result of the failure of Parliament to make provision for people travelling or living overseas. As the work of General Commissioners is watched over by the Council on Tribunals, you may wish to take your concern further by writing to the Council's secretary (perhaps after talking to your colleagues and to your clerk).

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange and does not constitute an invitation to the public to subscribe for or purchase any shares.

OLD COURT STERLING FUND LIMITED

(Registered with limited liability in Guernsey under The Companies (Guernsey) Laws 1908 to 1973)



Application has been made to the Council of The Stock Exchange for all the Participating Redeemable Preference Shares of 1p each of Old Court Sterling Fund Limited, issued and available to be issued, to be admitted to the Official List.

On 20th June 1979 the value of the net assets of the Company was £34.7m and 3,351,409 Participating Redeemable Preference Shares were in issue or agreed to be issued.

The Company is an open-ended investment company registered in Guernsey providing investors with an attractive means of deploying their liquid funds.

Particulars of Old Court Sterling Fund Limited have been circulated by Extel Statistical Services Limited and copies of such particulars may be obtained during usual business hours from:

N. M. Rothschild Asset Management (C.I.) Limited,
P.O. Box 58, St. Julian's Court,
St. Julian's Avenue,
St. Peter Port,
Guernsey, Channel Islands.
Tel. 0481 26741

de Zoete & Bevan,
25, Finsbury Circus,
London, EC2M 7EE.

History of Money

No.1 MONEY IS THOUGHT TO HAVE ORIGINATED OUT OF RELIGIOUS AND SOCIAL CUSTOM RATHER THAN DIRECTLY OUT OF BARTER

MORNINGTON MONEY is the interest you receive in February and August from an ordinary share investment in the Society which pays... BASIC RATE 8.75% EQUIVALENT TO 12.5% IF YOU PAY TAX AT 30%

Mornington Building Society

158 Kentish Town Road, London NW5 2BQ
Tel: 01-267 2871, 2-3
Member of the Building Societies Association.
Shares and Deposits are a Trustee Security.

NAME
ADDRESS

UNIT TRUST AND INSURANCE OFFERS

Schlesinger Trust Managers Limited	Page 1
Hilli Samuel Life Assurance Limited	5
London Life Limited	5
Target Life Assurance Limited	6
Britannia Financial Services Limited	7
M & G Group Limited	8
Tyndall Assurance Limited	23
Gartmore Fund Managers	23

Mornington Building Society

Speaking at the 113th Annual General Meeting of the Mornington Building Society, Mr. Eric Samson, FRICS, the Chairman, said: "In the year under review our growth has been 19.4%, a better performance than that of most of our competitors. The progress figures at the end of the report and accounts show that we have tripled our assets since 1973."

In reviewing the year, the Chairman reported that management expenses had shown a small increase of 6p per £100 of assets but that overall the expense ratio was lower than the average for all other building societies. The Society has just brought into operation a new IBM computer and this will be expected to justify its expense by its effect on operating costs in the next few years. The Society's reserve ratio stands at 4.15% (for the purposes of trustee status), a small reduction on last year's figure. Liquidity at the end of the year was 14.9% of total assets.

Synopsis of Results for the year ended 28th February 1979

Shares and Deposit balances	£31,767,366	Mortgage Balances outstanding	£27,851,635
Taxation and other liabilities	£ 283,774	Investments and cash	£ 5,227,460
General Reserve	£ 1,455,765	Other assets	£ 427,810
	£33,506,905		£33,506,905

Shares and Deposit receipts (including credited interest) £14,821,003
Withdrawals £ 9,511,298
Advances & Borrowers £ 8,729,100

Copies of the Annual Report and Statement of Accounts may be obtained from 158 Kentish Town Road, London, NW5 2BT. Member of the Building Societies Association

FREE TO ALL INVESTORS!

Now claim your FREE copy of this invaluable 1979 Edition of the INVESTORS Pocket Reference Guide. Packed from cover-to-cover with the sort of information and data that every profit-minded investor needs to have at his finger-tips. At the same time we will post you details of the proven "Art of Investment" Course.

Many have already taken advantage of this unique home-study course to build "nest-eggs" that millions of investors would envy! Profit as you complete this 12-week guide to successful investment in stocks, shares, and commodities. Written by professional investors, stockbrokers and accountants.

Apply for your copy of the FREE pocket book today!

RELIANCE SCHOOL OF INVESTMENT
Freeport 272 London SW3 2BR
(No stamp required)

TARGET COVENANT SCHEME

Grandparents!
For every £200 you give, the taxman adds another £85.71!

A Practical Scheme
If you really want to help your grandchildren in a practical way here's a scheme which will make the most of your gift.
All you do is invest on their behalf in a Target Unit Trust and for every £200 you give, the grandchild will receive another £85.71 from the taxman!
This money from the Inland Revenue is a refund of some of the tax you have paid on your income. To ensure that the grandchild benefits fully from the rebate you must be a taxpayer yourself and be prepared to invest for a minimum of seven years.

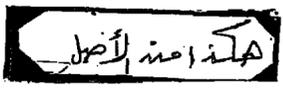
Simple to Operate
The scheme is very straightforward. Monthly investments (minimum £15) are made by Bankers Order. So once you have set it in motion there is little more to do.
There is no maximum but if the child's income rises above £1,165 p.a. he starts to pay tax like everyone else. There is no limit to the number of grandchildren you can help or, incidentally, any other beneficiaries, e.g. nephews and nieces (not your own children).

Special Account
Target units will be registered in the name of either parent, in a special account designated by the child's initials, so that for tax and all other purposes the units are his, or hers.
They can be cashed in at any time in the normal way, but the units belong to the child, so the proceeds must be used for his or her benefit.
There is a range of successful Target Unit Trusts to which your gift can be linked offering a choice of income, capital growth or a balance of both.
For full details complete and return the coupon to Target Trust Managers Ltd., Freeport, Aylesbury, Bucks, HP19 3YA, or telephone 01-600 7433.

NO STAMP REQUIRED!
To: TARGET TRUST MANAGERS LIMITED, FREEPOST, AYLESBURY, BUCKS HP19 3YA (Members of the Unit Trust Association)
Please send me details of your Covenant Scheme.
Name
Address

Not applicable to Eire.
*Investments under management in the Target Group exceed £232,000,000.

Jeffrie Little



YOUR SAVINGS AND INVESTMENTS

EDITED BY EAMONN FINGLETON

Building societies' tax bills are due to be cut thanks to the Budget. This could help them forestall a rise in mortgage rates, writes Eamonn Fingleton

Societies' autumn windfall

BUILDING SOCIETY industry's profitability has been boosted by about £100m a year as a result of a hidden side-effect of the Budget. Budget's implications for building society profit margins only now being fully appreciated. The transformed profits are bound to strengthen the hand of those in the industry who are fighting a rearguard action to forestall a mortgage rate increase.

Large savers are deserting the building societies in droves to seek better returns at the banks and local authorities. So the societies are under pressure to raise their main deposit rate, currently 8 per cent, by 1 or 2 per cent.

Some of the industry's doves feel that such an increase could be absorbed without the need to raise the mortgage rate immediately. And if by the autumn rates generally have fallen the societies could reduce their savers' rate and the threat to 5m home buyers would be over.

The mortgage rate currently stands at 11 1/2 per cent—just half per cent short of the record level hit in the crisis

winter of 1978-79. Then the Bank of England's minimum lending rate stood for a short time at 15 per cent, a full point higher than today. Any increase in the mortgage rate would probably take it to a new record at a time when the speed of the cost-of-living index is rising is already an embarrassment for the Government.

So there is great goodwill to garner if societies can head off the threat to mortgage rates.

If they were to raise the deposit rate by 1 per cent without increasing the mortgage rate, their profits before tax would fall about £33m a month below pre-Budget projections. Such a profit shortfall could not be borne indefinitely—societies have to make an adequate profit each year to top up their free reserves.

But there is no doubt that, thanks to the profits windfall they have already benefited from, societies could maintain such an interest rate structure for three months without much difficulty. The societies' reserve ratios in any case at present average an estimated 3.8 per cent—the highest level in the 1970s.

With normal withdrawal schemes, the investor can take up to 5 per cent of his original capital each year, with no immediate tax bill, by cashing-in the required number of units. This means that the number of units held steadily decreases. But if the unit price is rising by at least 5 per cent, the investors' capital remains intact. Solar has found that many investors cannot grasp the point and worry that they are eating away their capital.

These investors tend to be reluctant to cash-in units. So Solar's scheme neatly overcomes the psychological problem.

The initial investment is made into a new fund set up by Solar—the Distribution Fund—which invests in high yielding equities and fixed interest stocks. The income accruing to an investor's holding is transferred every six months to buy units in another new fund—the Solar Cash Fund—instead of being reinvested back in the main Distribution Fund. The Cash Fund is invested in liquid assets so the unit price is guaranteed not to fall. When the investor needs income, he simply cashes-in his Cash Fund units.

The original number of units remains intact. But the unit in the main distribution fund



Trevor Humphries
Howe: 3p boost

Now you see it...

UNIT-LINKED
ERIC SHORT

price does not get a boost of reinvested income, so its performance will lag behind that of comparable funds where income is rolled-up.

The scheme does ensure that investors do not eat into their original capital inadvertently, a pitfall many investors fell into with withdrawal plans in the 1974 bear market. It also provides the investor with flexibility. Investors paying standard rate tax only can withdraw more than 5 per cent each year without incurring a tax penalty.

Although this scheme is useful in providing income, investors should compare it with alternative investments such as high income unit trusts. They could be a better vehicle, especially for standard rate taxpayers.

A FAMILY SAVINGS PLAN WHICH OFFERS TAX-FREE INVESTMENT

The 'Britannia Family Bond' is a most advantageous family savings scheme. As a qualifying unit-linked life assurance policy issued by the Family Assurance Society, a tax exempt Friendly Society, in conjunction with Britannia Trust Management Ltd, it enjoys complete exemption from tax on income and capital gains.

Premiums of £8.28 per month are paid for only 10 years but the sum invested can continue to appreciate for as long as you wish.

Write for full details and Application Form to: Keith Crowley, Director, Britannia Trust Management Ltd, 3, London Wall Buildings, London EC2M 5QL. Or telephone 01-588 2177.

Name _____
Address _____

Trumping Abbey's ace

BUILDING SOCIETIES' rate war hotted up this week when the Bradford and Bingley offered a spectacular 10 per cent net of basic rate for five-year money.

This is probably the highest ever from a major society lump sum. And it is the best riposte to the Abbey deal, whose newly-launched bondshare long-term investment has already cut a path through the industry.

Bradford and Bingley is offering a full one point more over five years than the Abbey. Both schemes reflect industry's growing determination to lock in more of savers in long-term investments.

Bradford and Bingley's deal is an insurance policy which allows it to grab tax subsidies to give the returns.

The new scheme, named High-1 Linkplan, is a lump sum investment on the usual building society linked endowment plan regular savers. The saver's sum goes into a special unit at the Bradford and

SAVING
ERIC SHORT

Bingley and is progressively fed into an endowment policy with the Eagle Star, which then immediately redeems the money with the society.

The minimum investment is £600, enough to fund premiums of £10 a month for five years.

The investor can withdraw the lump sum at any time and either pay the premiums from another source or surrender the life plan. If the surrender takes place after four years, there is no tax liability for basic rate taxpayers.

Bradford and Bingley has pitched its terms so that you get a higher yield if you wait five years. The lump sum investment earns interest at the ordinary building society savers' rate (at present eight per cent) and a one per cent guaranteed interest bonus is added to this rate provided the

investor does not cash in before five years. Thus the return after five years for an investor under 40 is 10.67 per cent net, but only 10.30 per cent net after four years.

At the end of five years, the saver has two choices:

- He can add an additional sum and continue the contract for the full ten years.
- He can cash-in and, if he wants, start afresh.

Under current conditions to start afresh is better than to continue the plan. The net yield after five years is 10.67 per cent, but this falls to 9.67 per cent after ten years.

Royal Insurance has a scheme with Britannia Building Society whereby a lump sum is invested into the building society and monthly premiums feed into a ten year with profits contract. This is the first lump sum scheme where the money remains invested in the building society throughout, but which harnesses the life insurance tax subsidy in a paper transaction.

One wonders what the Inland Revenue thinks.

The cost of giving

TOTAL TRANSFER TAX is given where an individual gives the value of his estate. Giving it away to other people in his lifetime is the most obvious way of doing this; but giving it on trust, or selling it at an undervalued price, or as there are other ways of charge particularly relation to trusts, not dealt with in what follows.

Giving involves taxation; and it is equally chargeable, but is more expensive, because rates of tax on death are higher than are the rates for lifetime gifts. Over that the rates of 60, 65, 70 and 75 per cent apply even if the gift is straightforward and well known. But there is a less universal understanding of what seems to be known as the gross and net rules for gifts.

The principles are essentially the same. The first £25,000 given (over and above the annual exemption of £2,000, the small exemption of £100 per annum, wedding presents and specifically exempted gifts) is free of tax. Thereafter £5,000 is chargeable at 20 per cent, so that tax of £250 to be paid over to the tax collector.

If the gift is made net, the recipient gets £20,750 and the donor takes £2,250. It may not be obvious, but need explaining, but the donor in order to compute his tax liability has to "gross up" his gift of £20,750 to £30,000, which is the sum out of which he can pay the net amount to the object of his bounty, and also pay the tax to those who also benefit from that unit, despite any objections they may have to their doing so.

The alternative form of gift is the "gross" one. So long as a recipient is prepared to account for tax on an appropriate sum, the tax collector will not be worried. If we assume that the individual at whose net £25,000 gift we have already been looking makes a further gift of £25,000 on terms that the recipient is to pay the tax, then the donor's cumulative gross lifetime gifts will have reached £50,000.

Tax on £25,000 is £4,575, but the donor has already paid £2,250 for his first gift. There is £2,325 to be paid on the second. At this point, it is fair to say that it makes no difference whether donor or recipient pays

TAXATION
DAVID WAINMAN

the tax. The total tax bill is unchanged. So also is the net figure left in the recipient's hands—whether as a net gift, or as a gross gift reduced by the taxpayer's deprecations.

But there are advantages to be gained from the gross route. First, it enables the donor to dispose of specific assets without selling them, and without having to dip into the balance of his estate in order to be able to afford to give away the asset concerned. Secondly, if that asset is real property, and if the recipient retains it, he can pay the tax by eight annual or sixteen semi-annual instalments. Interest will be charged on this amount outstanding in this case, but in a period of high inflation many people would say that the right to pay tax over eight years, even where interest is charged, is a bargain not to be missed.

More favourable still are the instalment arrangements applying to businesses in certain prescribed circumstances. Interest is not charged on the whole tax outstanding, but only on any instalments paid after the annual or semi-annual dates by which they are due. This basis is available on the transfer (whether during life or on death) of a business, a partnership shareholding in a company, and of holdings of unquoted shares which meet certain requirements as to value and percentage holding in the company and as to the size of the tax liability on that holding.

The detailed application of the rules regarding engrossment of gifts had to be altered in the 1978 Finance Act, as a result of the change in the rates of tax made in the previous October. Mr. Joel Barnett then raised the tax exempt threshold from £15,000 to £25,000. Tax already payable on gifts made before the change was not repayable—but the cumulation position needed to be amended.

Had a donor made a gift before October 27, 1977 which reduced his estate by £30,000, the tax chargeable would not have been the £250 mentioned in our illustration above, but would have been £1,750. On the footing that the donor

paid the tax, the recipient would have received a net £28,250. If the donor were then to make a further gift of £34,000 after 27 October 1977, this amount would be treated, in calculating the liability on it, as being "accumulated" onto the top of a revised original gift as follows:—

Original net transfer ... £28,250
Tax originally charged thereon ... 1,750

Original gross ... 30,000
Tax at new rates on this original gross £350

Difference between tax figures allowed to be deducted ... 1,500

Revised gross amount of original gift for accumulation purposes £28,500

Tax on the second gift of £34,000 would therefore be only £4,137, compared to the figure of £4,325 calculated earlier. The explanation is simply that when the second gift of £34,000 is superimposed onto the revised, lower, accumulation figure of £28,500 (instead of £30,000), this saves the top £1,500 of tax at 17 1/2 per cent substituting for it a rate of only 5 per cent on an equivalent amount.

If the donor dies within three years after having made a gift, additional tax becomes payable—because the full rates of tax have to be substituted in place of the lower rates for lifetime gifts. The law says that this additional tax should be paid by the recipient, and it is easy to follow the rationale of the tax calculations if this is what happens:—

Tax at the "death" rates applicable after 27 October 1977 on a gift of £34,000 (that amount accumulated onto previous gifts of £28,500) ... £8,275
Less tax already paid ... 4,137

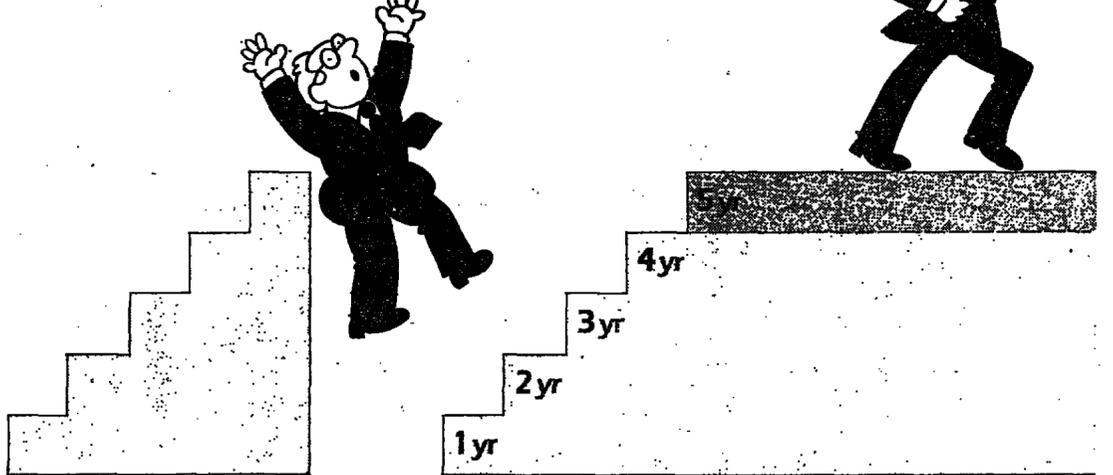
£4,138

It is possible, however, to provide by will that the further tax becoming payable as a result of death should be paid out of the estate of the deceased donor. The effect, since the additional tax concerned is in effect a specific legacy to the original recipient, is to burden the residue of the estate with this extra legacy. It does not alter the estate's aggregate tax liability, since that is based on the total of the gift and the taxable estate passing on death, but it does dramatically alter the way in which the tax falls, and how much is left, net, for the residuary beneficiaries. The result might well be regarded as capricious.

NEW ABBEY NATIONAL

OPEN BONDSHARES

KEEP YOUR SAVINGS ON TOP



Many New Escalator Schemes

A lot of new savings schemes offer higher interest the longer you leave your money. But after a few years you've got to start all over again at the lowest rate.

Abbey National Open Bondshares

Abbey National Open Bondshares also offer higher interest the longer you save. The difference is we don't let you down in the end. After 4 years, your savings go onto an even higher bonus rate... and you can stay there as long as you stay in the scheme.

Also, we have two ways to get you to this big bonus.

The first is the normal STEP method, where you commit your savings for one year only and, with each additional year, gain higher interest as the chart shows.

The second is Abbey's special JUMP system, where, if you feel you can commit your savings for a longer period than one year you can jump straight on to the appropriate higher interest rate. So that if you committed your money for four years you would start immediately on the high 9.50% rate. (Don't forget, tax at the basic rate is already paid. With the basic rate at 30%, 9.50%

is equivalent to 13.57%.)

Whichever method you choose, from year five your savings go onto that unique Abbey bonus platform. Even if you're not sure whether you can save for so long a period, it makes sense to join the scheme that lets you.

Rate of Interest in	Initial Contracted Period			
	1 year	2 years	3 years	4 years
% p.a.	% p.a.	% p.a.	% p.a.	% p.a.
1st year	8.25	8.50	9.00	9.50
2nd year	8.50	8.50	9.00	9.50
3rd year	9.00	9.00	9.00	9.50
4th year	9.50	9.50	9.50	9.50
5th & subsequent years with Bonus Differential of 2%	10.00	10.00	10.00	10.00

The minimum investment is £500 and your interest can be paid half-yearly or as monthly income. Come on in!

Fill in the coupon now To: Dept. BS, Abbey National Building Society, FREEPOST, Baker Street, London NW1 6YH.

I/We enclose a cheque numbered _____ Tick appropriate box

value £ _____ to be invested in Abbey National 4-year 3-year 2-year 1-year

Open Bondshares for the initial contracted term shown. Full name(s) _____

I/We require that my/our interest be paid out monthly, or at 6-monthly intervals. (CHECK WHICH EVER IS APPLICABLE)

I/We understand that the investment cannot be withdrawn before the end of the initial contracted term, except in the case of death and that after the contracted term is completed the investment will continue in the scheme subject to 3 months' notice of closure by me/us or the Society. Address _____

Date _____ Signature _____

ABBEE NATIONAL OPEN BONDSHARES FT3

ABBEE NATIONAL BUILDING SOCIETY, ABBEE HOUSE, BAKER STREET, LONDON NW1 6XL

YOUR SAVINGS AND INVESTMENTS—2

Find a good insurance broker if you are shopping around for a top-up mortgage, advises Eric Short

Don't go over the top

IF YOU need a top-up loan from an insurance company as part of a mortgage package, look carefully at the terms of the deal. Insurance companies have been stepping up their lending to home buyers lately as the flow of building society funds has failed to keep up with soaring house prices. But with many borrowers desperate to buy the home of their dreams, insurance companies can drive a hard bargain for the extra finance needed to clinch a purchase. Most insurance companies charge higher interest rates than the building societies. About 14 per cent is typical at the moment and this compares with the standard building society mortgage rate of 12½ per cent. One major exception is National Mutual, which charges the same as the building societies. Some companies charge fixed interest rates. But most companies' mortgage rates are in theory variable; in practice, however, rate changes are rare and lag well behind changes in other

interest rates. Several companies charge different interest rates depending on the type of repayment arrangement you choose. A major snag of top-up arrangements is that the insurance company will insist that you take out an endowment policy to cover not only the loan it advances but also the building society loan. This will make the package much more expensive in the early years than if you used an ordinary building society "repayment" mortgage. With many companies you will be forced to accept a non-profit endowment for the top-up part of your borrowing if not endowments are by far the most unattractive of the three main versions of the endowment mortgage idea. Where you can incorporate a low-cost endowment—the best of the endowment game—in the package, it will probably be restricted to the building society part of your borrowing. Many insurance companies regard lending to home buyers as

unprofitable and troublesome: the saving grace for them is the chance to sell more endowment policies. The business is more attractive to an insurance company if the policyholder takes a non-profit policy—most insurance companies have been having trouble maintaining a big enough proportion of non-profit policies to maintain a good balance. For many insurance companies, the biggest attraction of granting mortgages is that it is a powerful aid to them in cultivating their insurance broker contacts. Because mortgage finance is always in chronically short supply, a broker is grateful to any company that is prepared to channel top-ups through him. Companies can therefore afford to restrict their mortgage business to brokers who give them a lot of business. So to get a top-up you need to shop around for a good broker. The company you end up with will depend very much on whom he knows.

Skandia's idea

INVESTORS SHOPPING for unit-linked life insurance now have yet another life company with a full range of products from which to choose. For this week the Swedish group, Skandia Insurance Company, launched a British life subsidiary.

LIFE POLICIES

ERIC SHORT

contract where the investor can increase the guaranteed death cover and the premium each year in line with the Retail Price Index. The policy qualifies for all the usual tax privileges. Indeed Skandia has designed a scheme whereby the investor

can reduce as well as increase his guaranteed life cover. This provides the flexibility to meet the changing commitments of an investor during his lifetime. It is achieved by writing the contract as a series of independent policies. Skandia, to save on administrative costs, will treat them as one contract with variable cover. The company will deduct the cost of the life cover each month from the premium; the rest is invested in units. On cash-in the investor gets the value of the units. In this respect the plan is similar to a best-selling whole life plan marketed by Hambro Life.

John Makinson on adventurous investments

Take a flier—on a skyship

THE COUNTRY which brought you the jet turbine, hovercraft and jump-jet proudly presents—the Thermo-skyship. A stake in this latest example of the British entrepreneurial spirit can be yours for £1,000 and Julian Benson of stockbrokers Laing and Cruickshank says the demand for prospectuses has been enormous, with much of it from private clients though the offer is still heavily under subscribed. The demand undoubtedly owes much to the technical potential of the skyship, as well as its ability to operate without jet-fuel. There is perhaps another reason: a dearth of suitable high-risk ventures for enterprising private investors to take a gamble on. So anything eye-catching is bound to attract an exuberant following. There is no shortage of inventions being patented but many are either modest enough to be financed by a friendly bank manager or emerge from major corporations.

One such company is Norton Warburg, which advises private clients on high-risk start-ups. Two years ago it set up a subsidiary called Norton Warburg Investments (NWI) with a capital of £1.5m and 100 shareholders, mostly private investors. For a minimum subscription of £10,000 the punter was offered a portfolio which now totals 10 companies, ranging from the Chicago Pizza Pie Factory restaurant to host manufacturers, producers of burglar alarm detectors and developers of an art reproduction process. All the enterprises were innovative in some way and, accord-

ing to Stephen Gee of NWI, all but one are already trading concerns. None the less, they were either too small or too risky to attract traditional sources of capital. The potential rewards from this kind of investment are clearly enormous, as are the losses if the project fails to materialise. There are also less obvious drawbacks. Capital is generally raised for research and development purposes so the investor may have to wait at least three to five years before receiving any return. Withdrawing the capital can be a problem. Shares in small, venture companies are not readily negotiable even under the Stock Exchange's rule 163 (2). Selling the investment can therefore be both difficult and expensive. Finally, since prospectuses are not compulsory, information on the project may be scanty and perhaps inaccurate. Lucky investors of risk capital may be able to retire after a few years. Others will be in for a longer vigil. The Channel Tunnel investment company was registered in 1881 and shareholders are still waiting.

WHO'S TOPS IN TOP-UPS?

Company	Maximum Top-up (£)	Current Interest Rate (%)	Type of Endowment Policy Accepted	
			For building society loan	For top-up loan
Eagle Star	50,000	13-14	Any	Non-profit only
Legal and General	20,000	13½-14½	Any	Low-cost excluded
National Mutual	Not disclosed	12½ (varies in line with building society rate)	Non-profit for at least five years; then full with-profits	
Norwich Union	10,000	14	At least 50 per cent non-profit; balance full with-profits	
Royal Insurance	12,500	12-15	Any	Any
Scottish Amicable	5,000	13½	Any	Low-cost excluded
Sun Life	Not disclosed	14	Low-cost excluded	Non-profit only

Forty shades of green

"DO I REALLY need a green card?" this week asked a friend intending to take his car and family across the Channel to France. Expecting the answer "Yes" to what he clearly reckoned a rhetorical question, he was surprised when I said "No" and went on to emphasize that it was far more important that he should inform his insurers of his trip and get their agreement, by endorsement most probably, to extend the full cover of his policy for his holiday. There is a widespread and popular misconception that the issue of a green card gives the motorist going abroad the right to enjoy the same cover as he has at home. But the green card does nothing of the sort—it cannot, because it is simply an international motor insurance certificate: it provides evidence of the fact that the issuing insurers are providing protection for the named motorist in respect of legal liabilities required by law to be insured in the countries for which the green card is valid. This, and absolutely nothing more.

INSURANCE

JOHN PHILIP

The green card system was developed in post war years first by insurers operating in Western European countries, and subsequently by insurers further afield, in Eastern Europe and around the Mediterranean; and at one time travellers could reckon to have all their motoring documents including green cards examined at each frontier crossing. But five years ago, the nine EEC members decided to stop inspecting at "internal frontiers" the green cards of each other's motorists; and almost straightaway similar agreement was reached with eight other countries outside the EEC—Austria, Czechoslovakia, East Germany, Finland, Hungary, Norway, Sweden and Switzerland. To get into these 16 countries the British motorist strictly does not need to have a green card—but once past the frontier he can take it that the

local police will be more familiar with its layout and purpose than with the average British motor insurance certificate. But if he wants to travel further afield, say to Spain, Portugal, Yugoslavia or Greece, then the British motorist must have a green card or, at the frontier, buy insurance sufficient to comply with local laws. Since 1975 the "third party" section of all British motor insurance policies has automatically included cover both in the eight other EEC countries and the eight non-EEC countries I have listed, including those who are legally obliged to provide this cover. But it is narrow, restricted, cover and, like the green card, applies only in respect of those liabilities that local laws require to be insured. Here in Britain the motorist has to be insured, without financial limit, in respect of his legal liability for death and injury to all persons, including his own family. But for insurers are Belgium, Holland and Italy, compulsory laws do not include members of the family, while in France they do not include pas-

sengers. So the British motorist who relies solely on the European third party cover provided by his policy can be short even of injury liability cover that he takes for granted in his daily motoring at home. But of course he is short of much more. The average "comprehensive" policy not only insures the car against damage, fire and theft; it pays for some medical expenses and provides limited accidental injury benefit. It gives limited luggage cover. None of this does the motorist get, if he relies on his EEC clause, if he does not ask his insurers to let him have the full protection of his policy. If comprehensive, this will normally include the risk of damage in transit on sea ferry of up to 65 hours' duration, the cost of getting his car back home if it is damaged abroad, the cost of customs and import duty if it has to be abandoned there. However, the motorist taking his car abroad, should not assume that his insurers will on request provide him with just as much cover in Europe as he has at home. Much will depend on the kind of car, the motorist's own record, his experience of driving abroad, the experience of other members of the family who will drive—and so on, not forgetting

the countries to be visited. In fact insurers take into account all those factors that they consider at home, but view them, as it were, through European spectacles. Whatever the cover insurers provide, the motorist will have to pay extra premium. This is simply because the ordinary annual premiums that we all pay do not include any charge for the extra cost of continental motoring. And once he drives off the continental quayside, the British motorist is at greater risk than he is at home, partly because all European countries suffer a higher accident incidence than we do, partly because he is a foreigner driving the opposite side of the road to which he is accustomed. The "comprehensive" motorist enjoying full NCD and taking a group two or group three saloon car for a fortnight's holiday can expect to pay premium in the £6 to £10 range—but circumstances alter cases: for example the father, who wants his newly qualified teenage son to drive may well have to pay rather more, and accept a substantial restriction of his damage cover while his son is driving. And, of course, premium rises sharply for higher performance cars or for longer than average holidays.

Tremor in the executive suite

MINING

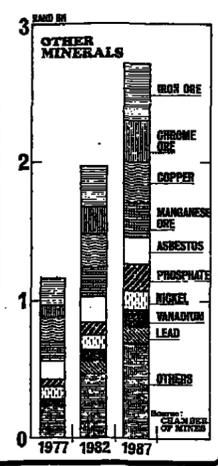
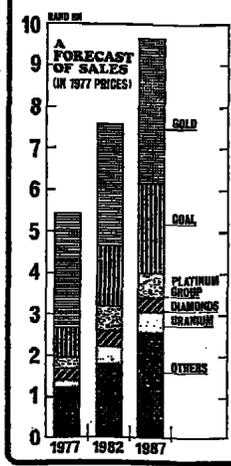
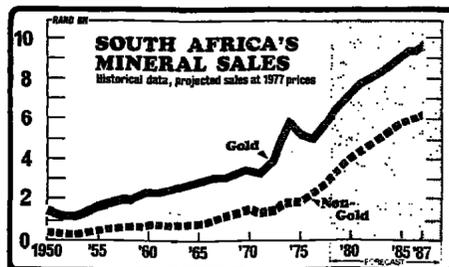
PAUL CHEESRIGHT

ANY HOPE of a carefree weekend for mining executives disappeared on Thursday. The decision of the oil producers to establish prices at a level on average at least 30 per cent higher than in 1978 sent, it is reasonable to guess, a tremor around the executive suites of the industry. There will be greater pressure on costs, of course. Open-pit operations will be immediately affected. At the world's largest copper mine, Bingham Canyon, run by Kennecott Copper's Utah division, about 100 haulage trucks carry over 300,000 tonnes of ore a day. The pressures will vary, from pit to pit, from mineral to mineral. But the lateritic nickel producers, 80 per cent of whose running costs are related to energy, will be badly hit. Likewise the gravel pump tin miners. The industry will gradually come to terms with the rise in costs, but the speed at which it adapts will depend on the wider economic environment. The first reaction in the industry was that any recession in the U.S. is likely to be deeper. The Japan Economic Research Centre is now predicting that

Japanese growth will slow next year. The saving factor is that if general confidence holds, the recession could be mild and certainly not on the scale of that in the aftermath of the 1973-74 energy crisis. But the point is that the base metals industry at least is only just recovering from this last crisis. There is still extensive unused mining capacity in, for example, copper and zinc. And where prices have risen in recent months—copper and zinc again, but nickel as well—this has owed a good deal to producers restraining output. At the same time, there is some evidence that the rise in demand apparent in the final quarter of 1978 and the first quarter of 1979 has tended to flatten out. This would account for the generally lower tone over the past few weeks of London Metal Exchange copper prices. Recovery then has been stuttering and there is now a distinct possibility that it could be halted—at least for a time. Certainly the LME took that view when in the first trading sessions after the oil price rise, more than £30 a tonne was taken off the cash copper price. But the gold price also fell, losing \$4.50 to \$277.375 an ounce on Thursday and closing yesterday at \$279.875. Yet the gold price is supposed to thrive on conditions of economic uncertainty. Arguably the price was due for a reaction in any case. Although it has risen from under \$250 at the beginning of May, the narrower daily trading ranges of the last fortnight had already suggested that the advance had run out of steam. Traditionally, conditions of strict deflation and tight money do not suit the gold market and a period of such stringency already seems to have started.

The American Express International Banking Group has drawn attention to the possibility of a boom in fixed interest bond markets around the world and it is just such a boom which could act as one countervailing attraction for money at present in gold. Of course the Middle East oil producers, seeking a home for extra oil revenue, could divert funds into gold and this is something the South African mining industry will be anxiously looking for. For the moment the South African industry in general is buoyant. As Mr. P. A. von Wielligh noted in his presidential address to the Chamber of Mines this week, the value of mineral sales rose 24 per cent last year. And the Chamber, as the charts show, is expecting marked growth over the next few years. The possibility of international recession might reduce the expected rate of growth but South Africa has such a wide spread of products that weakness in the market for one often tends to be balanced out by strength in another. The problems of the South African industry are not so much related to the nature of its resources and the availability of markets as to basic difficulties peculiar to the country itself. Thus Mr. von Wielligh complained about lack of productivity improvements in the gold mining industry because of the failure to make major progress towards using all skills available to the industry. The reason is the colour bar. So far, the Chamber itself has been unsuccessful in its attempts to convince the white unions in the industry that there will be enough jobs available for all, whatever their colour. Further, there is a developing shortage of engineers in the industry, as the Chamber made

demands to undertake national military service. And there are simply not enough engineers being trained in South Africa to meet all the demands of the different sectors of local industry.



EXPATRIATE?

YOU need specialised Financial Advice. WE provide it! ASHLEY HARRISON & CO. LTD. 46 High Street, Solihull Tel: 021-704 9948

M&G Guaranteed Bonus Bonds

9.5% NET

THE EQUIVALENT, FOR A BASIC-RATE TAXPAYER, OF

13.57% GROSS

Act before 28th JULY to obtain full first year bonus

Here is a new investment from M&G designed for investors who need a high, fixed income paid free of basic rate tax, plus a guaranteed return of capital at maturity. It makes an excellent home for your money in these times of general uncertainty and fluctuating interest rates. DEFINITION M&G Guaranteed Bonus Bonds are single-premium endowment assurance policies with guaranteed cash bonuses. They mature at 28th July, 1984, and incorporate a valuable conversion option. CASH BONUSES Cash bonuses at the rate of 9.5% per annum will be paid each 28th July. These bonuses will be paid net of basic rate tax and are guaranteed throughout the period. You can, however, elect to have all your bonuses reinvested. This means that you will receive £1.574 on the maturity date per £1,000 invested, but you will receive no cash payments until then. If you wish to select this option, tick the appropriate box in the application form.

CONVERSION OPTION At maturity (on 28th July, 1984) you will have the option of taking the whole of your investment out in cash or converting into one of M&G's existing Bond funds at a discount of 20% of the initial charge. This will be particularly attractive to any higher-rate taxpayer who is in a position to defer a sale until he is in a lower tax bracket—for example, on retirement. (See taxation.)

THE GUARANTEE We are guaranteed the return of your original investment when the Bonds mature. Furthermore, you are guaranteed bonuses at the rates quoted in this advertisement. This guarantee is backed by the size, financial resources and reputation of the M&G Group.

EARLY SURRENDER You may cash in your holding of Guaranteed Bonus Bonds at any time you choose. The amount you would receive will depend on interest rates at the time. At present you would receive 95% of your original investment.

IF YOU DIE Should you die before your Bonds mature, your estate will be paid back the full amount of your original investment plus the appropriate proportion of the next annual bonus and any bonuses then reinvested.

TAXATION For those who pay tax at the basic rate there will be no further liability to tax, either on their capital or their bonuses.

Those paying tax at higher rates who receive cash bonuses are liable each year only on that amount of the bonus which exceeds 5% of their original investment. Higher-rate tax on the first 5% per annum is payable only when the investment is ultimately encashed. Higher-rate taxpayers who elect to have their bonuses reinvested are liable to higher-rate tax on their bonuses when the investment is ultimately encashed. If you choose to reinvest your money in another M&G Bond fund by exercising your conversion option at 28th July, 1984, no tax will be payable at that time.

HOW TO APPLY If you are between 18 and 70 years old and have at least £1,000 to invest, you should complete the form below and send it, with your cheque, made payable to M&G Trust (Assurance) Limited, to the address below. Successful applicants will be sent a letter of acceptance within a few days of receipt of their cheque and their policy will be sent as soon as possible afterwards.

ACT BEFORE 28th JULY Investors whose applications are accepted before 28th July, 1979, qualify for the full first year's bonus on the first payment date of 28th July, 1980. LIMITED OFFER The number of Bonds available is limited and all applications will be dealt with strictly in the order that they are received. Also, M&G reserve the right to withdraw or vary the offer at any time. If you wish to invest in Guaranteed Bonus Bonds, you are urged to apply now. Unsuccessful applications, and cheques, will be returned as soon as possible. We regret that applications in joint names are not acceptable.

ABOUT M&G M&G are a leading City institution. They were the first to bring unit trusts to Britain, in 1931, and are still the only group whose funds are quoted on the Stock Exchange. They were pioneers in the field of equity-linked assurance, and are members of the Life Offices Association. The M&G handle some £750 million for over 270,000 investors and savers.

The information contained in this advertisement is based on our understanding of present revenue law and practice. Whilst we believe our interpretation of current law and practice to be correct, we cannot be held responsible for the effects of any future legislation or any change in interpretation or treatment. Actual rights as between investors and the Company will be governed solely by the terms of the policies. The Company reserves the right to vary the benefits in order to comply with any law which may be required under the terms of the Policy Holders Protection Act, 1976.

PROPOSAL FORM LIMITED OFFER.

A reminder: M&G must reserve the right to withdraw this offer at any time. Investors whose applications are accepted before 28th July, 1979, will receive a full year's bonus on 28th July, 1980. If you wish to invest in M&G's new Guaranteed Bonus Bonds, it is in your best interest to act NOW.

To: M&G Trust (Assurance) Limited, Three Quays, Tower Hill, London EC3R 6BQ. Tel: 01-626 4588.

Block capitals, please (joint applications not accepted)

NAME: _____ SURNAME: _____ ADDRESS: _____ POST CODE: _____ DATE OF BIRTH: _____

I wish to invest £ _____ (minimum £1,000 and in multiples of £100, maximum £25,000) in M&G Guaranteed Bonus Bonds and enclose my cheque for this amount, payable to M&G Trust (Assurance) Ltd. Please tick the box if you wish to have your bonuses reinvested (No payments will be made until the maturity date if this option is selected). I declare that I am a resident of the United Kingdom and that the information that I have given is true.

SIGNATURE: _____ DATE: _____

Reg. Office: 91/99 New London Road, Chertsey TW20 0PC Reg. in England No. 684195

GB 532719c 0-55

THE M&G GROUP

This is luxury you can afford.

The new Renault 30 TX. At a little over £8,000 on the road, it's smoother than a '61 claret.

All-round, fully independent suspension evens out the most uneven of roads.

You'll find its velour-covered seats as comfortable as your favourite armchair.

Thick carpet inside so gives the impression that you're driving on thick carpet outside.

And what's smoother than a V6 engine with fuel injection and an automatic gearbox?

Alternatively, five manual gears give a top speed of 117mph.

At a steady 56 mph, you can travel 35 miles on a gallon of petrol.

Now let's take you behind the leather-trimmed steering wheel for a moment.

Electronic ignition means smoother and easier starting.

Power steering makes light work of driving.

You'll see the world through tinted windows. The front windows operate electrically.

And when the sun comes out, it can come into your car at a flick of a switch.

Via the electric sunroof. All the latest controls are housed in something you probably haven't seen lately.

A real wooden fascia. You will also get stereo sound from the radio and cassette player that's fitted as standard.

And when the car finally rolls to a halt in your driveway, you'll find we haven't forgotten any finishing touches.

Lock the driver's door and you automatically lock the other three doors, the

hatch-back and even the petrol cap.

Front and rear bumpers are rubber re-inforced for one simple reason:

It's hard to make an unsightly dent in rubber.

And the halogen headlights are kept clean and bright by their own wash/wipe system.

Alloy wheels and an exclusive range of colours make the 30 TX a pretty exclusive looking car.

Your nearest Renault dealer would be more than willing to let you test drive it.

RENAULT 30TX.

Renault recommend **elf** lubricants

It's like driving on kerb to kerb carpet.



GARDENING

Ten best shrubs

ARTHUR HELLYER

WAS Abusion *suntense* started it. Gloating over gorgeous sustained display his new-comer it suddenly tried to me that it could well be the best flowering shrub in garden. Well perhaps not best, but surely one of the best? But if so which were they? The game was on. There soon followed every-flowering shrub now trying to decide what of preference I would to them were I really content.

There would also have to be a selection between several candidates: velvet leaved *Ribes*, hardy *paniculata*, snowball flowered *arborescens grandiflora* or one of the *macrophylla* varieties. In the end I decided on the last, selecting General *Viscountesse de Vibraye* for its reliability (it will flower from the side stems even if the terminal buds get killed by frost as they sometimes do) and because it is not only the easiest to blue but as it fades, changes to fascinating shades of dove grey and metallic green which keep it interesting at least until November.

For June and July there would have to be a shrub rose though with these it would be easy to say, as with rhododendrons, that there are so many real level candidates that it is absurd to single out one alone. What about *Nevada*, *Marguerite Hilling*, *Nymphburg*, *Constance Spry*, *Ritter von Barntstedt*, *Buff Beauty* and *Alba* to name just a few of my favourites? Yet this time I will not run away from the problem but will nominate *Penelope*, always lovely, easy to grow and flowering for a longer period than most.

On its performance this year *Kolkwitzia amabilis* cannot be left out. It is more graceful and freer flowering than any of the weigelas which it resembles and to which it is related and it makes a marvellous display. No wonder the Americans call it the Beauty Bush. However there are some inferior forms about which do not flower so well. This is a plant to be selected in flower, either bought at a garden centre in June or marked in a nursery with one's own label so that it may be safely delivered in the autumn.

Daphnes are lovely but a little too temperamental to be in the top ten and even the hardiest *disticta* can be unreliable in a tough winter. For the same reason I omit all forms of *ceanothus* magnificent though many of them are. *Ceanothus impressus* is certainly a claimant for selection in the best 10 plants to train against a sunny wall. I could opt out of including a *pyracantha* on the twin counts that most gardeners train these on walls and anyway grow them for their berries and not for their flowers. Yet I am cheating for I grow *pyracantha* as free standing bushes and for their flowers as well as for their fruits and I unhesitatingly pick *P. rogersiana* as the best in this triple role.

My list grows and a whole host of candidates scream for attention: hypericum so useful for their continuous flowering, most of all the admirable *Hicote*. Then there are *diervillias* which can load themselves with flowers almost as freely as the *kolkwitzia*; many *thymus* but most of all the magnificent *V. plicatum tomentosum*, but it needs a lot of room if it is to itself justice, and the shrubby *potentillas* which have a long flowering season though the effect can be somewhat sporty. I must pass them all over in favour of *Senecio greyii*, or at least the plant that masquerades under that name in gardens but is probably a nameless but harder hybrid from that rather tender species. It is a magnificent grey leaved evergreen which can almost disappear in July beneath the great clusters of golden daisies. Last winter was too much for it in most British gardens but it is so easy to propagate from summer cuttings that it is well worth the risk of occasional loss.

Which brings me full circle to the shrub with which I began. A *batting sentense* is a shrub so new that most gardeners do not yet know it and exclaim with surprise when they see it for the first time. *Abutilons* have a poor reputation for hardiness and *A. sentense* certainly looks as if it ought to be a little tender; soft stems, downy leaves and very rapid growth; yet it came through last winter virtually unscathed. It is a hybrid between *A. vitifolium* and a scarce species from Chile named *A. ochsenii* which I do not know though I hear good accounts of it. The flowers are fuller and rounder than those of *vitifolium*, a much deeper heliotrope purple and immensely prolific. I hear that there are inferior forms about so I hope nurserymen will be careful to secure and distribute the best. It is scarce at present but cannot remain so for long since it is one of the easiest of shrubs to propagate from summer cuttings.

By the tranquillity of the Thames

Brentford Dock is in one of the most beautiful positions for a development of new homes, so near London. Where the River Brent and Thames meet, overlooking the tree-lined banks of Kew Gardens there are 3 and 4 roomed flats with balconies or open gardens. Other units available from 1,34,000.

Amenities include central heating, portage, lifts and the whole is set in landscaped gardens around a central mooring basin.

Full details: The Sales Office, Brentford Dock, Brentford, Middlesex. Tel 01-560 0737, 8.

Show flats open for viewing Monday to Friday 2 pm to 7 pm, Saturdays 11 am to 5 pm, Sundays 2 pm to 5 pm.

NEW HOMES

FROM THE J.M. HILL GROUP

RING FIRST - only a few left!
VERULAM COURT 101-222 2300 Woodlands Ave. N.W. Access via Cool Oak Lane off Edgware Road. On the bank of the M25 with private heated swimming pool, 5 miles from West End. Lease 99 years. 1 and 2 bedroom flats for sale from £23,000. Immediate. All with CH & fitted carpets.

RING FIRST - only a few left!
SHERBORNE COURT 101-373 0071 180 Cromwell Rd S.W. Close to West London air terminal. Access via Wood Lane off Edgware Road. All with CH, central hot water & fitted carpets. Ideal for commuters.

BEAULANDS CLOSE, DE VILLEVALE, CO. DUBLIN.
One bedroom flat, with CH and fitted carpet. All ready Summer/Autumn 79. All ready Summer/Autumn 79. Show flat or agents tel nos. in brackets. Open 11.5 am - 2.30. 5.30 Sun. or contact the Estates Manager at: J.M. HILL GROUP, Heather Park Drive, Wembley HA9 1SX, Tel: 01-903 5511

Page 6 - availability correct at time of going to press

St. JOHN'S WOOD, N.W.8.

An imposing and dignified low-built, double-fronted, detached residence. Magnificent south-facing 40ft. drawing room, opening to the terrace and the large walled garden. Reception hall, dining room, kitchen, 3 bedroom suites, 4 further bedrooms, 2 more bathrooms, integral double garage for 2 Rolls-Royces, cloakroom and staff room. Substantial offers invited for the long lease.

MAYFAIR, W.1.

Arranged on only two floors, an immaculate and quietly situated new property in a superb location between Grosvenor Square and Berkeley Square and with the exclusive use of a very large garden. Beautiful 24ft. drawing room communicating with dining room, fully fitted kitchen, with a breakfast bar, principal bedroom suite overlooking the garden, with a luxury bathroom and dressing room, 3 more bedrooms, bathroom 2. Garage for Rolls-Royce and electrically operated lift.

RUTLAND COURT, KNIGHTSBRIDGE

£275,000. A spacious first-floor flat in this quietly situated mansion block in a private thoroughfare in the heart of Knightsbridge. In good order. 4 bedrooms, 3 bathrooms, 1 en suite, double reception room, dining room, dressing room, cloakroom, kitchen, 2 separate w.c.s. Lift, portage, C.H. C.H.W. Lease: 75 years approx. Price includes fitted carpets, curtains and kitchen equipment.

MELBURY COURT, W.8.

£195,000. An excellent second-floor flat in this prestige block approached by its own private thoroughfare, adjacent to the Commonwealth Institute. 6 bedrooms, 2 bathrooms (1 en suite), cloakroom, 2 reception rooms and reception hall, kitchen/breakfast room, laundry room, separate w.c. C.H. C.H.W. lift, undergarment storage. Private parking. Lease: 82 years. Price includes certain fitted carpets, curtains, fixtures and fittings.

Hampton & Sons
01-493 8222 6 Arlington Street, London, SW1. Telex: 25341

PERIOD COTTAGE

WORTHING WEST SUSSEX

Regency (c. 1810). Terraced family house on three floors in good decorative order. Listed Grade II Architectural and Historical Interest. Considerable scope for renovation overlooking Denton Gardens and Putting Green. Carefully modernised to retain original character. Near shops and easy access main-line station. 2 Living-rooms, 4 Bedrooms, 3 Bathrooms, 1 Suite, 2 WCs, Kitchen, 2 Balconies, plus 2 Basement rooms, Bathroom and WC, r.f.d. patio with direct pathway to Beach and Boat Club. Electric storage heaters/midday boost

£35,750 Freehold

with Vacant Possession, to include fitted carpets throughout, curtains and kitchen and other fittings as inventory.

To view this weekend tel: 01-580 8528 or 0802 4351, or write Box 75089, Financial Times 10 Cannon Street, EC4P 4BY

REAL ESTATE FOR SALE SWITZERLAND

Lovely apartments on Lake Geneva in beautiful Montreux. Rolls and in famous mountain resorts. Individual chalets reasonably priced. Liberal financing terms (4.25% interest).

For particulars write to Developer, c/o Globe Flat SA Ave Duchy 14 1006 Lausanne, Switzerland or call (021) 27-33-06

PRESTBURY CHESHIRE

GRANTA COTTAGE

A splendid and prestigious detached family house set in grounds amounting to just over one acre and having excellent views towards the Derbyshire hills. The accommodation comprises entrance vestibule, entrance hall, cloak w.c., drawing room, morning room, panelled dining room, kitchen, utility room, 4 bedrooms, bathroom, en suite shower room and dressing room, double garage.

MANCHESTER 16 miles MOTORWAY INTERNATIONAL AIRPORT 7 miles

To be offered for sale by Auction (unless previously sold) at the Leigh Arms Hotel, Aulston, Cheshire on 14th July 1979 at 11.30 a.m. ECLLES ROAD & CO. The Village, Prestbury, Cheshire Tel: Prestbury 828354

LANZAROTE

SUNSHINE ISLAND HOLIDAY APARTMENTS WITH INCOME

One-bedroom apartments in well built block at Puerto del Carmen. Use of 2 pools. Restaurant and bar. Minutes from golden beaches. £5,500 including furniture, etc. Under excellent management. **BERNARD THORPE & PARTNERS** 1, Buckingham Palace Road, London, SW1. Ref: APD/SPJ.

SWISS CONDOMINIUM INVESTMENT

Fully furnished, luxury fitted studio apartments for sale in Chatelet 'Volana' direct from builder. In Haute-Nendaz above Sion in the magnificent Rhone Valley. Purchase price £59,000 (c. £23,193). Financing 70% at 5% interest over 20 years. Suitable for investment programme available. Contact the Swiss Embassy.

EURO RESORTS SA
Mr. Ken Katz
8 Pont Street, London, SW1
Tel: 01-235 4764 (No agents please)

AGRICULTURAL INVESTMENT

CUMBRIA—SOUTH OF PENRITH

OUTLYING PORTIONS OF THE LOWTHER ESTATES

772 ACRES, Part VACANT POSSESSION, Part LET and producing £2,800 P.A.

Sheriff Park Farm: House, Buildings and 34 acres Vacant Possession.

Thornthwaite Hall—359 acres: Traditional Sheep Farm within Lake District National Park; subject to tenancy.

Plovergrange—179 acres: Dairy/Livestock Farm subject to tenancy.

FOR SALE PRIVATELY AS A WHOLE OR IN LOTS

Particulars from: D. A. PATTINSON AND PARTNERS, Estate Office, Lowther, Penrith, Cumbria, CA10 2HG. Tel: Rackthorpe (093 12) 392 (24-hour Answerphone)

A FORESTRY PORTFOLIO

in Herefordshire and Dyfed

For Sale as a Whole or in Lots

IN ALL NEARLY 633 ACRES

Mainly 20-year-old Conifer Plantations

Details: JOHN CLEGG & CO., Church Street, Chesham, Bucks. Tel: Chesham (02405) 4711.

East Sussex

NEAR BATTLE

Easy access to London

Attractive and spacious family house of character and distinction. Hall, well proportioned lounge, spacious dining room with sun loggia, kitchen/breakfast room, walk-in larder, wash basin, linen room, 2 bathrooms, 3 lavatories. Vaulted home in double glazed. Garden, steps to sea, includes swimming pool, ornamental pond, greenhouse with sun trap and usual outbuildings. 2 garages. The property is well furnished, Victorian/Edwardian and includes a superb dining room suite, specially designed suite for the principal bedroom, and other valuable items, which may be purchased, if desired, at a negotiable price. Offers invited for freehold of property at about £70,000. Telephone: 042-463-294

Sevenshals, Edenbridge, Kent

Taylor & Testor East Grinstead Crowborough Sussex

King & Chasemore

Chartered Surveyors WEST SUSSEX

Occupying a peaceful and secluded position in the PETWORTH/MIDHURST/HABLEMBERE TRIANGLE each being about 6 miles distant

LICKLEWOOD HOUSE

A HANDSOME COUNTRY HOUSE OF CHARACTER

—SUITABLE FOR IMPROVEMENT—

One-bedroom apartments in well built block at Puerto del Carmen. Use of 2 pools. Restaurant and bar. Minutes from golden beaches. £5,500 including furniture, etc. Under excellent management. **BERNARD THORPE & PARTNERS** 1, Buckingham Palace Road, London, SW1. Ref: APD/SPJ.

BUYING PROPERTY

in THE PRINCIPALITY OF MONACO

is a good investment

For further details please write to: AGEDI (J. de Beer, President) L'Astoria (5^{ème} étage) 26 bis, Bd. Princesse Charlotte Monte-Carlo, Principality of Monaco Tel: (93) 50 66 00 — Telex: 479 417 MC. Documentation sent on request.

SMITHS GORE

CHARTERED SURVEYORS

AN AGRICULTURAL INVESTMENT

NOTTINGHAMSHIRE

Widmerpool

FIELDS AND BARN FARM

a mixed farm of 580 acres, let and producing £11,000 p.a.

FOR SALE BY PRIVATE TREATY

For further particulars apply: Brooke House, 24 Dam Street, Lichfield, Staffordshire WS16 6AB (05452) 51251.

Cardiff, Colbridge, Darlington, Dumfries, Edinburgh, Fochabers, Lutfield, London, Newcastle, Newport, Peterborough, Perth, Prudhoe, Warminster, York.

Lane Fox and Partners

OXFORDSHIRE

Didcot 4 miles - Wallingford 4 miles - London 6 miles

A RENOWNED RESIDENTIAL STUD FARM

Divided in 2 Yards with 53 first class boxes, superb tiled paddocks

A most attractive country house

3 recep., 7 beds, 3 baths, oil central C.H., swimming pool, tennis court, studio flat, 3 secondary houses, 7 cottages

FOR SALE BY AUCTION IN 12 LOTS (unless previously sold) 34 North Audley Street, London, W.1. Tel: 01-499 4783

In the "Carré d'Or" of Monte-Carlo

Your residence

PARK PALACE

The new Park Palace with its own private indoor swimming pool, restaurant, super boutiques and of course, sumptuous apartments ranging from the 50 m² studio to the 500 m² double level penthouse-apartment will soon be overlooking the sea amidst the gardens bordering those of the Casino. Construction began on the 15th November 1978!

To invest in a Park Palace apartment is to acquire part of the serene security of the Principality of Monaco. The solid security of a "stone investment". The confident security of possessing the most sought after "square meters". Park Palace is already a success: 3/4 of the apartments have been sold!

Park Palace a new life style: the "joie de vivre" in Monte-Carlo.

Full documentation available from: **LEGADEL S.A.**

Park Palace
27H, av. de la Costa - Monte-Carlo
Tel: (93) 50.92.88
Telex: Legven 479276 MC
and from the real estate agents of the Principality of Monaco.

Realized by: Legadel S.A.

Financed by: The Chase Manhattan Bank N.A. (Paris)
Work completion guaranteed by Banque de Placements et de Credit (Monaco) (Group Swiss Bank Corporation)

WILTON CRESCENT BELGRAVIA

An ideal company house with exceptional facilities for entertaining.

Excellent Reception Rooms

2 Mews houses with garaging for 5 cars

Staff Accommodation

For Sale Leasehold (040C5/1/RGF)

Knight Frank & Rutley

20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

JOHN D. WOOD

SURREY—Limpsfield Chart

Central London 26 miles (Victoria/London Bridge 40 minutes)

AN ATTRACTIVE FAMILY HOUSE OCCUPYING A QUIET RURAL POSITION AND SURROUNDED BY A LOVELY GARDEN.

Cloakroom, Drawing Room, Sun Room, Dining Room, Kitchen and Domestic Offices, Main Suite of Bedroom, Bathroom and Study/Dressing Room, Further Suite of Bedroom and Bathroom, 6 Further Bedrooms and 2 Bathrooms. Full Oil-Fired Central Heating.

Garaging and Coach House.

Heated Swimming Pool with Changing Pavilion. In all about 2 Acres.

apply Berkeley Square Office: (Ref. DCMB)

23 BERKELEY SQUARE LONDON W1X 6AL 01-629 9050

ABERDEENSHIRE UDNY

A Valuable Agricultural Investment

About 312 312 Acres Arable/Stock Form

Let and producing £7,800 per annum

Ellon 4 Mills Aberdeen 11 Miles

For further particulars apply

The Joint Sole Agents

Bell-Ingram Jackson-Stops & Staff
7 Walker Street 14 Curzon Street
Edinburgh EH3 7JY London W1Y 7FH
Tel: 031-225 3271 Tel: 01-499 6291
or 01-437 1274

Cooke & Arkwright

ORCHARD INVESTMENT LAND

County of Hereford and Worcester

Valuable agricultural investment 157 acres producing £5,000 per annum. Let to H. P. Bulmer Limited on 50-year lease with 62 years unexpired.

FOR SALE BY TENDER BY 31st JULY, 1979

Apply: W. H. COOKE AND ARKRIGHT, Barrington House, Hereford. Tel: 02163 9100. Ref: L1AP

OFFICES AT LONDON, BRIDGEND, NEWPORT, CARDIFF, HAVERFORDWEST, SWANSEA AND HERFORD

Overseas Property

SPAIN

RESIDENTIAL PROPERTIES FOR SALE

COMMERCIAL INVESTMENTS & LEASING PROPOSITIONS

NO DOLLAR PREMIUM UP TO £100,000

Spratley & Co

Chartered Surveyors

29 King Street, Covent Garden, London WC2E 8JD
Telephone: 01-636 7372 01-240 3621 Telex number 28382
Associated Office: 121 Princes Street, Edinburgh EH2 4AD

Own a superb Mobile Home on a luxury 4 star park in Paris

4 Bed Mobile Homes
Full size oven and sink
Full size refrigerator
Shower-Tub H&C Water
Connected to all Town water services

Resistant & Bar
Self Service Laundry
Supermarket Boat Mooring
Children's Play Area
Limited Amount Now Available.

Resistant Park open all year round 25 minutes from Paris. L&R Centre based on an Island in the Seine at Marnay-la-Maitrie. The famous Hotel Kaseng controls the site to the market.

Laffite Estates
4 Mairie Street, Manchester, M2 3AW, England. Tel: 01-611-434-047. 70 (Tel: 01-609774)

Strutt & Parker

LONDON - EDINBURGH - CANTEBURY - CHELMSFORD - CHESHIRE - CRANHAM - HARGATE - IPSWICH - LEWES - SALISBURY - SOUTHEND

SOUTH HUMBERSIDE

Scunthorpe, 4 miles

A FIRST-CLASS FORESTRY INVESTMENT

ABOUT 536 ACRES

A compact and balanced block of extremely well-maintained plantations with above-average yield classes

FOR SALE BY PRIVATE TREATY AS A WHOLE OR IN LOTS

Harrgate Office: 13 Princess Square, Tel: (0425) 61274 (Ref: 10A823)

London Office: 33 Hill Street W.1. Tel: 01-629 7282

Fox & Sons

LYMINGTON — THE OLD ALARM

17th century property on a prime corner site, recently improved & modernised. Currently combined business (600 sq ft approx.) & domestic premises. Residential accommodation extends to: 1st floor — Drawing room, sitting/dining room, kitchen and shower room, 2nd floor: three double bedrooms, bathroom and dressing/bedroom 4.

OFFERS INVITED FOR THE FREEHOLD

85 High Street, Lymington, Hants. (0590) 75424

NR. RYE, SUSSEX

DUCKSHOOT WOOD

about 45+ acres.

Duckshot 3; acres approx.

VACANT POSSESSION

Offers invited.

BURROWS & DAY
9/41 Bank Street, Kent
Tel: (0225) 24321

AMERICAN EXECUTIVES

seek luxury furnished flats or houses up to £300 per week.

Usual fees required.

Phillipa Kay & Lewis
01-839 2245

TO RENT

Kensington W8

collet flat in good, blk. 3 bedrooms, bath, double rec., lift, with dishwasher, washing machine, fridge, central heating, 24 hr. avail. Aug. £250 p.w.

Elizabeth O. de Rue,
Gross Fine & Granger, Chelsea, SW3

CROMER—One of the most outstanding locations for direct sea views, including the finest beaches, central heating, 2 garages, homeopathic centre, recommended £30,000. Turner & Co., 17-19 West Street, Cromer, Norfolk. Tel: 51374

ISLE OF WALSLEY—Luxury bungalow, 5 acres, sea views, sea view, west coast location, 2 bedrooms, two bathrooms, sea view, central heating, double glazing, central heating, £125,000. Tel: 01535 84111. A. Sen, Newark, Notts. (0636) 703141.

SPANISH DUPLEX VILLA—2 vms, beach, near bathing part of Denia. 3 dbl. bdrms., all costs, US\$55,000. Tel: Ferrer, Denia 78-02-63.

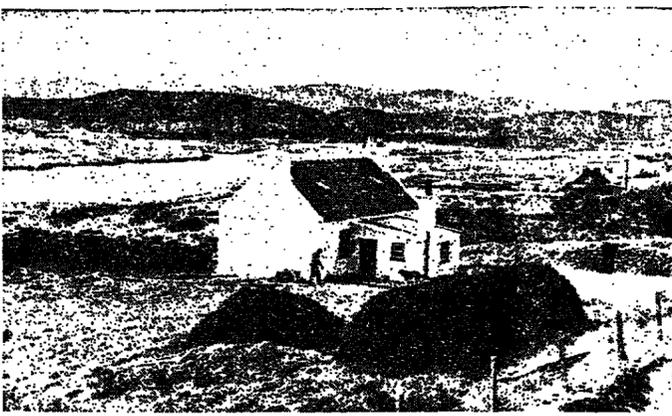
COMPANY FLAT, Victoria St., SW 1. 4 rooms plus lift, rent, rates, heating, £4,500 p.a. FF 85,000. Phone 222 8122.

TRAVEL

Shetland sortie

B. A. YOUNG

COUNTRY seems to be cherished rather by the than by the height of its: but the nakedness of surface, which not a tree stub interposes to conceal, every chilling idea that have been preconceived in mind of Hyperborean desolation... The Shetland Tourist Association boldly calls the "the natural holiday"...



A typical croft at Balaban, Isle of Lewis

moth just out of the chrysalis. The puffin is known locally as "Tammie Noorie". The Arctic skua is "Scoutie Alan". The great skua is the "hoaxie", and it has an alarming way of diving at you if it thinks you are making for its nest... The islands are full of curiosities. At Scalloway, the former capital, there is a castle built by Earl Patrick Stewart...

Dorset delights

BY PAUL MARTIN

LONG BEFORE the motorway era, the ritual question "shall we take the Ilminster-Dorchester or the Shaftesbury-Sherborne road?" preceded many family summer holidays in Dorset... Dorset is a crumpled county, with hills running in seemingly all directions and narrow winding lanes leading to villages with improbable names...



The beach, West Bay

The jewel of Sherborne is the Abbey church. Unfortunately, like so many of our historic buildings, it is swathed in scaffolding but nothing can diminish the magnificence of the interior with its delicate fan vaulting... Whistler was also responsible for the exquisite apse windows in the small church of Saint Nicholas at Merton...

MOTOR CARS

BARKERS OF WINDSOR

ROLLS-ROYCE SHADOW II. Peacock Blue, Beige trim, one owner. Full service history. 30,000 miles service just completed... MERCEDES 450 SLC. For 'V' registration. Air conditioning, electric roof, alloy, cruise control... OTHER QUALITY CARS BENTLEY CONTINENTAL MULLINER ST DAIMLER SERIES III. Alloys, electric mirrors...

olett EXCLUSIVELY PORSCHE London Main Dealers

Table with columns for car models (e.g., 911, 911S, 911T) and prices.

REGISTRATION MARKS

CAR MARKS

Table with columns for car models (e.g., AM 30, RS 2011) and prices.

Lincoln Street Motors AND DISTINCTION CARS OF QUALITY... ROLLS-ROYCE SILVER SHADOW, CHEVROLET BLAZER, 1979... JAMES YOUNG LTD. 37-39 LONDON ROAD, BROMLEY, KENT

JAMES YOUNG LTD. 1978 BENTLEY T CORNICHE SALOON. Chestnut over Silver Sand. Light Beige trim, whitewall tyres, picnic tables... 1977 (T) SILVER SHADOW II LHD. In Onyx. Dark Green hide trim...

ROLLS-ROYCE SILVER SHADOW 1969 G-Reg. Immaculate condition. 38,000 miles. Owners over 14,000... JAMES YOUNG LTD. 37-39 LONDON ROAD, BROMLEY, KENT

928 PORSCHE SILVER - AUTOMATIC Blue/Black. 2nd year Superco. 16,000 miles. Private. immaculate. 7,000 miles only. Registered February 1979... B. Jackson (0522) 30303

MERCEDES 350 SL 1978 "S" Metallic grey blue. Blue cloth, alloy wheels, headlamp wash/wipe, rear seat conversion, radio/tape player, under 10,000 miles. Excellent condition... D. Burton Listers of Coventry 0203 56325

PORSCHE CARRERA COUPE Red with black interior. Only 12 months old with 15,000 miles. As new condition. Ring: 0534 74622 Days 0534 52582 Evenings

MILCARS OF MILL HILL The Complete BMW Dealer Lease your BMW via Milcars way. A selection of used BMWs 1979 7331 Chamonix white, blue cloth interior, central locking, tinted glass, electric windows, radio/cassette... 1977 528 AUTOMATIC Recedes metallic green and interior, tinted glass, radio/stereo cassette, air cond., p.p. heater, wash, wip... 1978 520 AUTOMATIC Oceanic blue with cloth interior, tinted glass, manual s/r/ool, alloy wheels, radio/stereo cassette... 1979 518 AUTOMATIC Exciting blue, blue cloth, tinted glass... The above are available for lease 15/18 Hale Lane, Mill Hill London, NW7 Tel: 01-359 6961

BRADSHAW & WEBB MERCEDES IN CHESEA 01 362 2392... 1978 518 AUTOMATIC Exciting blue, blue cloth, tinted glass... 1979 518 AUTOMATIC Exciting blue, blue cloth, tinted glass... The above are available for lease 15/18 Hale Lane, Mill Hill London, NW7 Tel: 01-359 6961

450 SEL MERCEDES May 1977. Milan Brown, leather upholstery. Air Cond. Radio cassette. 31,000 miles. 21-000 over... £14,500 Bedford 762364 (office) or 211204 (home)

BRISTOL 412 SERIES Registered March 1977 31,000 miles. Good condition £15,000 TEL: 0403 48930

PORSCHE 911 SC SPORT May 1978. 14,000 miles. White Mint Condition £16,300 Phone: Balmere (Scotland) 509

MERCEDES-BENZ 230 C 2-door 4-seater coupe. White, blue cloth upholstery. Electric windows and sliding roof. Tinted glass PAS Automatic transmission. 1 reg 0222 miles. One owner. As new. £11,500. TEL: HULL 647191

TRAVEL

Autumn and Winter cruises The two great cruise liners of the world, VISTAFJORD and SAGAFJORD, will again head for warmer waters and the sun in autumn... Norwegian America Line Depart Days Cruising Area +17 SEP 6 MEDITERRANEAN 23 SEP 14 BLACK SEA 7 OCT 14 MEDITERRANEAN 21 OCT 48 SOUTH AMERICA 16 NOV 17 CARIBBEAN 30 NOV 17 CARIBBEAN 14 DEC 23 CARIBBEAN 19 DEC 19 CARIBBEAN 4 JAN 31 CARIBBEAN 11 JAN 24 CARIBBEAN 19 JAN 17 CARIBBEAN 19 JAN 78 ROUND THE WORLD

amathus holidays VILLAS & HOTELS IN CORFU, CRETE & RHODES Contact us for last-minute availability at one of our self-catering villas or hotels... AMATHUS HOLIDAYS 51 Tottenham Court Road London W1P 0HS Tel: 01-636 6138, 01-569 7397/8

Who says you have no business in Monte Carlo? There's a new landmark on the world business scene - the lavishly renovated Beach Plaza Hotel, which now dominates the Monte Carlo seashore... BEACH PLAZA Avenue Princess Grace, Monte Carlo, Principality of Monaco Telephone 30 95 80

Swiss City Tours Fly to the Swiss Alps with CPT the best and you can be assured of a holiday in Switzerland... ALEXA HOTEL 71-75 LEXHAM GARDENS, LONDON W8 8UL TEL: 01-373 7272

SPORT

No trouble for powerhouse Borg

TENNIS JOHN BARRETT

UNWRAPPING HIS most devastating form of the week, Bjorn Borg smashed his way into the last 16 of the men's singles at Wimbledon yesterday by crushing the American Hank Pfister 6-4, 6-1, 6-3 in 91 minutes.

whistled back like guided missiles. At one stage of the match Pfister shook his head wearily and muttered to himself "Just incredible."

The opening game went to five deuces and lasted eight minutes before Pfister managed to hold. It was an indication of the trouble he was going to have throughout the match. In contrast, Borg's five service games in that opening set cost him a total of four points.

A break in the seventh game was all Borg needed to get a set up and it was achieved with an inch perfect lob which left even the tall Pfister hopelessly stranded.

In a one-sided second set Pfister's service crumbled against Borg's punishing returns, and though Borg was faulted once there was very little other occasion when he could be faulted on anything in this majestic form. Three times out of four Pfister lost his serve and the set was over in only 23 minutes.

When Borg surged to a 3-0 lead in the third set he had captured 10 games out of the last 11 and though Pfister managed to give the scoreline a more



The favourites steam on: Borg, Connors and Navratilova.



respectable look, and indeed even managed to achieve his lone service break of the match in the fifth game, the champion moved impressively and imperceptibly as ever to victory.

The third seed, Jimmy Connors, was troubled only a little more than Borg in thrusting aside the challenge of the South African No. 1 Johan Kriek 6-4, 6-1, 7-6, but easily the most entertaining men's match of the afternoon saw Britain's Mark Cox defeat the 21-year-old Frenchman Gilles Moretton 3-6, 6-7, 6-1, 7-6, 7-5 in 3 1/2 hours.

In a pulsating final set Cox saved six match points and Moretton saved four before finally a Cox forehand down the line was called in, leaving Cox the winner against a clearly unhappy opponent who thought it had fallen out.

The women's competition moved into the last 16 calmly and free of shocks. The defending champion Martina Navratilova comfortably defeated Rosie Casals 6-3, 6-3, the No. 2 seed Chris Evert Lloyd conceded only one more game in defeating Kathy Teacher 6-4, 6-3 and the 16-year-old Tracy Austin had no problems against Bettyann Stuart winning 6-2, 6-3.

Typically, Virginia Wade, seeded fifth suffered a wobble or two before overcoming the German No. 1 Sylvia Hanika 6-3, 7-6 on No. 2 court, where some famous names have suffered over the past few days. The 19-year-old Miss Hanika, a losing finalist to Miss Austin in the Italian championships, provided a nervy Miss Wade with comfort by playing even more erratically than the British girl. Twice she double faulted to lose her service and a spurt of nine points in a row took Miss Wade to within comfortable range of the first set which she proceeded to win in half an hour.

The second set was an astonishing affair, as Miss Wade first fell 0-2 behind, levelled at 2-2, trailed 2-4 and at 4-5 needed to save no fewer than six set points.

Once more this see-saw set swung right round again and with Miss Wade leading 6-5 it was the German's turn to salvage three match points and take the contest to a tie break, only for Miss Wade to win that easily by 7 points to 1.

A Russian car maker is on its way to making useful capitalistic profit from an investment in golf sponsorship

Soft-selling and hard words at the Belfry

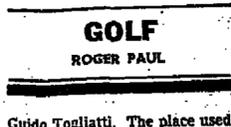
GOLF ROGER PAUL

IT IS possibly not every day that a car made on the banks of the Volga River, 600 miles south-east of Moscow, becomes the inspiration for a golf tournament played right in the middle of Britain's vehicle building industry.

But this week Lada Cars is providing something like £55,000 to support the English golf classic played at the Belfry, near Sutton Coldfield—itsself situated roughly half way between the motorised outposts of Coventry and Birmingham.

The tournament is multi-sponsored, with a total cost of around £150,000 being met by contributions from many smaller sponsors. But in terms of publicity Lada is clearly the main beneficiary, and is delighted with the deal it has got.

Lada is in business to sell Russian-made cars to the British public, and they are already in the top 10 of imported cars in the British market. The cars come from a town called Togliatti, which both sounds and is an Italian name. This is so because Lada borrowed heavily from Fiat expertise when setting up their factory, and in consequence named the town after the chairman of the Italian Communist Party, Sig-



Guido Togliatti. The place used to be called Stavropol. However, Lada intends that its cars will both capture and keep a portion of the British market, and has launched a £500,000 marketing campaign on television. This tournament is extra to that commitment, and Lada appears on both sides of the snacks worn by the Caddies, it appears on the flags fluttering above the pins, on the banners around the course, in the five second fade-out on each TV transmission and in the three second title sequence after the commercial break.

As there is a total of 15 hours of television, Lada estimates that there will be at least 15 minutes when the name Lada is actually on the screen, not to mention the subliminal effect of the viewers knowing that they are watching the Lada English Gold classic. That kind of exposure would cost them around £150,000 at peak times, not to mention the £40,000 which the commercial cost them to make in the first place. Or indeed to mention the coverage of the tournament itself in every major British newspaper.

Multi-sponsorship of this kind is very much a part of the thinking behind the European tour, and while this tournament has been a success, it would seem that when the package offered includes television then a better deal could be driven. Certainly some of the players seem to think that this is a week when they should be paid danger money. There is, they say, a danger of breaking your wrist by playing a ball off some of the harder parts of the course, which is predominantly clay-based. Brian Barnes, never a man to mince his words, says that the course was not fit for a tournament to be played upon it now, nor would it be in 30 years' time. He went on to say that in his opinion, regardless of the 79 he had just scored, the thought of the Ryder Cup

being played here in 1981 should not be entertained.

Mark James, another man of definite opinion, proffered the thought that the course would not be ready for "the Lincolnshire Ladies Alliance" jet alone the Ryder Cup.

These are serious allegations, for The Belfry is the home of the National Professional Golfers Association, and both the course and the headquarters are supposed to be a showpiece. Unfortunately, there is more than a crumb of truth in what is being said. The course is hard, it is cracked in places and it does need a lot of top soil. But of course top soil is an expensive commodity, particularly in the quantities that would be needed for the Brabazon course, not to mention other 18 hole courses in the complex, the Derby.

The PGA and The Belfry Hotel, who worked in tandem, have a problem which must be overcome if they are to get the best out of what is a marvellous design and lay-out by Dave Thomas, the course architect.

The players were allowed to pick and place within a club length and while Barnes thought was demeaning, Roger Davis, the Australian, took advantage of it to score a first round 69. Despite a colder day, with a more biting breeze, he managed a one over par 73 for his second round and, at two under par, the danger of an overseas win grows apace. Davis is an experienced golfer, with eight tournament wins to his credit in Australia.

He has also beaten Gary Player in a play-off for the Victorian Open, but as the little South African has won only three out of 12 such confrontations, not too much can be read into that.

He dropped three shots early in his round, but birdies at the 16th and 17th testified to a good temperament. The early British challenge was being led by 21-year-old Sandy Lyle, with a two under par 70 which left him with a two-round total of 148. Lyle had three birdies in a round which he did not drop a shot until the last, where he three putted.



Tracy Austin (U.S.), the number four seed, swept to a two set 6-2, 6-3 victory over fellow American Betty Ann Stuart in the women's singles yesterday.



McEnroe: the threat.



Gordon Greenidge (West Indies) cuts England's Mike Hendrick for four at Lords.

Finding the openers is the task

CRICKET TREVOR BAILEY

ANY GOOD player with a sound technique, the right temperament and the ability to cope with fast bowling and the new ball should aim to become an opening batsman. It is the best place, with advantages that more than offset the disadvantages.

The opener has the first chance to capitalise on batting on a placid pitch and, in normal circumstances has plenty of time to settle down. In the early stages the field will normally be very attacking and, though this could bring his downfall, it also means that there are plenty of runs to be had without having to take chances. In other words, he is able to build an innings at a tempo which suits him, and his main objective in a Test is to provide his team with the solid foundation for a large total.

On a bad or sticky wicket he arrives at the crease while the pitch is still under the calming influence of the roller, so that he is able to settle before the ball starts to behave unpleasantly. In the limited overs game the opener still has the opportunity to have a look at the bowling before playing his strokes, a luxury often denied to his colleagues later in the order.

It is significant that they so often achieve the highest aggregates in one day domestic cricket.

However, in this form of the game, although a solid foundation is important, I believe that if the opening pair go too slowly at the start and then fail to take their sufficient toll of the fourth and fifth bowlers when they are introduced, too much pressure is placed on their colleagues coming later. The all out slog with wickets in hand can work, but not always.

I once asked that exciting opener, Charlie Barnett what were his tactics when chasing a large total against the clock for Gloucestershire. He believed that if the asking rate for the whole innings was between four and five an over, he should aim to maintain that from the outset. He felt that he was more likely to achieve this than the late order batsmen, who were obviously not so talented. There are disadvantages about opening the innings which I discovered when I was repeatedly pressed into the role as an

emergency number one for England in Australia, the West Indies and South Africa.

First there is the very real threat from the new ball in the hands of international bowlers, all eagerly pressing for that vital early breakthrough. Secondly, it is hard, both physically and mentally opening after spending a day and three-quarters in the field, or trying to bat out for that last half hour—which always seemed so much longer—with little to gain in the matter of runs and everything to lose.

In my own case there were two other handicaps, being tired after a long bowl and obvious technical deficiencies, but if I had not been an all-rounder I would have loved to be an opener.

The ideal opening pair in a Test should consist of one high class player, who is able to blunt the initial attack without becoming beleaguered, and then has the shots necessary to mount an assault later in the day. The West Indian, Gordon Greenidge, provides a perfect example at the present time, a marvellous strokemaker, who makes every moment he spends at the crease count, but also possesses a fine defence. With a batsman, like Greenidge, his partner can afford to be less aggressive and take on the job of "sheet anchor," someone who will accumulate steadily over a long period of time, a natural accumulator, who acts as a foil to the faster scoring members of the side.

One of the problems confronting England is that both Geoff Boycott and Mike Brearley tend to graft for their runs and can become tied down, as happened last winter in Australia, while they are clearly not the right combination for limited overs cricket when the initial tempo must be higher.

This leaves the selectors with a problem against India, who are unlikely to provide the England batting, unless the pitches take spin, with a bowling attack which will trouble it enough. Against India Boycott and Brearley could well be a very productive pair, but there must be some doubts about them next summer against the West Indies, and in Australia next winter, should the proposed tour, involving the Aussies, plus their Packer men, and the West Indies materialise.

In these circumstances a strong case could be made for opening with Graham Gooch, who has shown his liking for the position with Essex, and has a wide range of attacking strokes.

YACHTS AND POWERCRAFT

Advertisement for Europress N.V. featuring a yacht and text describing its features like double staterooms, adjustable props, and various electronic equipment.

TRAVEL

Advertisement for SPA HOLIDAYS BADEN SWITZERLAND, featuring a first-class hotel with bathing pool and various amenities.

Advertisement for COURAGES HOMME clothing, featuring a man in a suit and text describing the collection of superior wearables.

EDUCATIONAL

Advertisement for ALL YOU NEED IS FRENCH, offering French language courses for individuals and groups.

AIRCRAFT FOR SALE

Advertisement for BRAND-NEW CITATION JET, a luxurious private jet with various features.

HOLIDAY ACCOMMODATION

Advertisement for VILLA TO LET, a 4 bed, 4 bath villa in Los Monteros Marbella.

PUBLIC NOTICES

Notices from HAMPSHIRE COUNTY COUNCIL regarding council tax and other local government matters.

CLUBS

Notice from EYE regarding club membership and other matters.

ART GALLERIES

A collection of advertisements for various art galleries and artists, including Agnew Gallery, Hamiltons, and others.

RAMSGATE TO LET NEW OFFICES

Advertisement for RAMSGATE TO LET NEW OFFICES, offering immediate occupation in Cluttons or Edward Erdman buildings.

HANOVER STREET W1

Advertisement for HANOVER STREET W1, offering luxury furnished and serviced office space.

Advertisement for JACOB GORDON LTD. featuring COUTURE FABRICS and a sale now on.

Advertisement for Beautiful Hardwood Furniture, featuring a dining table and chairs.

Advertisement for MUSCADET SEVRE ET MAINE wine, featuring a bottle and text describing the wine.

Advertisement for GARDEN SEAT & TABLE, featuring a garden seat and table set.

Advertisement for Eye in the Sky, featuring aerial photography services.

Advertisement for SWISS FABRIC SALE, featuring fine dress fabrics.

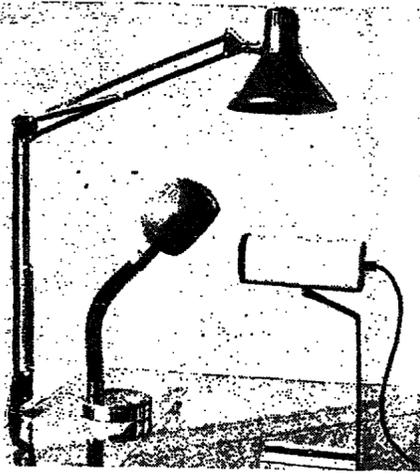
Advertisement for TYPEWRITERS, featuring various typewriter models.

Advertisement for ANNABINA Dress Designers, featuring original wedding dresses.

HOW TO SPEND IT

by Lucia van der Post

Light on the matter



Drawing by Robin Coles

One idea for eating out-of-doors—a tin, shaped like a beehive and filled with yellow citronella scented wax. The citronella, of course, is for keeping away the insects and the manufacturers recommend that you only use it out-of-doors. The tin is some 5 inches high and splendidly round and fat so the candle should last for many hours. The tin of course can be used for other things once the candle is finished. It's on sale at Cueina, 4 Ladbroke Grove, London, W11, and 3 Englands Lane, London, NW3. It is £3.12 and Cueina will post it for 66p extra.

or reading lamps are of utmost importance and paradoxically, are very difficult to track down. Debenhams stores seem to be lopping their lighting treatments very nicely and 50 of their stores now them. Here are three reasonably priced and working lights. Left is ring adjustable desk lamp a clamp for fixing it to desks like tables or shelves. White, red or brown, it is £7.50 (a free-standing version is £10.50). In the middle is a flexible-necked adjustable reading lamp in ochre or sand. It is £3.50 and if you are doing up a whole room you might like to know that there are matching ceiling and wall lights as well. On the right is an aluminium desk lamp in matt silver, matt gold or matt brown. The head is adjustable and the price is £8.50.

For dining out of doors this hurricane candlelight is ideal. It has a cast-aluminium base, painted white, and a glass protector for the candle. Its height from top to bottom is 12 inches. You choose your own candle—to match your colour scheme if you mind about detail. Buy it from Room Outside, a charming shop specialising in everything for gardens, outdoor living, poolside living. It costs £12.95 and unfortunately is too fragile to post so it is for personal shoppers only. Room Outside is at Goodwood Gardens, Waterbeach, nr. Chichester, Sussex (tel. 024-353 593) and it's open all day from 9.30 to 5 from Tuesday up to and including Saturday.



Drawing by Frank Wheeler

Travel with a tube



A singularly unattractive looking object, but obviously eminently practical, is the Supa Sippa. It is basically a tube, about 14 ins long, which has a hook for holding or fitting over ledges and a malleable plastic straw. Its great benefit is that it keeps all those noxious sticky drinks that children insist on drinking from spilling. The complete tube can be frozen with its contents which means that the gradual thaw on travelling should leave the drink relatively cool when the time comes to drink it. The tubes come in three colours, red, blue and green and they are 75p each (£1.05 after July 9) from W. H. Smith shops.

Leaf motif

Garden Crafts of 158 New Kings Road, London, SW6, is an old-established purveyor of garden accoutrements and it seems to have a very wide selection of things both useful and amusing for improving any garden, whether town or country. I particularly like this white-painted aluminium plant stand which is 41 inches high, has moveable arms and would look marvellous (when supporting lots of leafy plants) on balconies, patios, in conservatories or garden rooms (£50.22). There's a very similar reproduction Victorian plant stand, cheaper at £43.70, which doesn't have moveable arms but is just as pretty. If you happen to have a garden that would be enhanced by a temple, Garden Crafts has one that is made from fixed cast-stone columns with a wrought-iron dome (years for just £1,230 plus 15 per-cent VAT).



Drawing by Frank Wheeler

Shooting socks

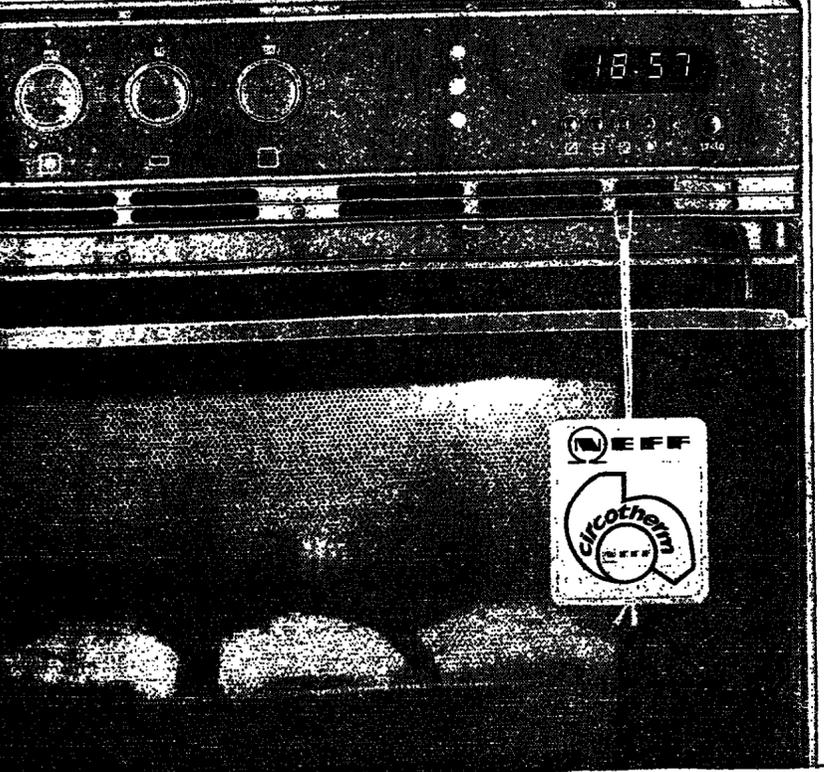
BE man in your life is of the hunting, angling and fishing sort Rosemary Macindoe has very special shooting socks to order and would make a very special present. I think they are so beautifully knitted rather fancy them just for keeping my warm and they should certainly appeal to kers and walkers as well as shooting. Miss Macindoe uses a mixture of about 70 per cent wool and 30 per cent Viscose, as does the 100 per cent wool tends to k. She does the socks in assorted sizes and with plain tops or checked tops. I write to her at Flat K, 14 Sloane Court London SW3, enclosing a s.a.e., she will colour and pattern samples and explain standard sizes. So far her best single mer is Hambro's Bank—they've ordered 12, checked-topped ones are £14. Postage packing is 50p. She also knits gardeners any colours and these cost £1.50 (fine). As the grouse shooting season opens on the 12th August it might be nt to order them now.



Drawing by Liz Gill

Dial a dinner party for 30.

Two rugby teams for dinner? Or maybe all the relatives arrive at once. Don't turn a hair. Just turn a switch on your Neff De-Luxe oven. And 'Circotherm' our unique hot air cooking system takes over. Up to thirty steaks, toasted snacks or whatever are 'grilled' on both sides at once. You can also roast and bake in one go. And instant heating lowers fuel bills. An important saving if you've got thirsty to feed. For more information write to NEFF (UK) Ltd., Dept. FT, The Quadrangle, Westmount Centre, Uxbridge Road, Hayes, Middlesex.



Postscript

In last week's recipe for mushroom stalk and basil soup the quantities for the mushroom stalks were left out—many apologies. Readers who are longing to make the soup might like to make a note that the stalks from 2 lbs of mushrooms are about the right amount. Julie Hamilton, our cookery writer, recommends that the mushroom caps be tossed in butter and put in the freezer (unless that is, you have some immediate use for them).

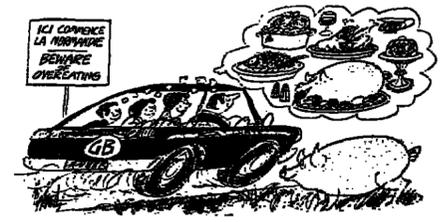
Readers who were interested in Buyers and Sellers' special offer of Candy 290 dishwashers last week might be interested to know that whereas on most Saturdays something like four Candy 290 dishwashers are sold, last week well over 100 were sold. Although the special one-day offer of a cost-price slightly scratched Candy 290 no longer stands the two stores at 120/122 Ladbroke Grove, London, W.10 and 72, Uxbridge Road, London, W.12 still have many other models at reduced prices on sale.

ONE OF the problems with accumulating possessions, as most of us tend to do as we go through life, is that they become more and more of a worry. Going on holiday for us used to pose an endless series of problems over things like house plants, the dog, burglars, what would happen if the pipes burst and so on. We've solved some of the worries by a combination of a burglar alarm system (the Bunch system I wrote about over a year ago) and a series of house-sitters. However, not everybody knows somebody who can house-sit just at the required time but a firm called Home-minders aim to provide a kind of houseminding service.

They will do almost anything you want done while you are away—they will water the plants, feed the cat, forward the mail, stock the fridge, turn the heating on or off, check the pipes, organise the dry-cleaning, be in for delivery services—you name it, they'll do it. They 'actually' provide house-sitters (i.e. people who live in permanently) but almost anything else they can cope with. They find that most of their clients on a fortnight's holiday want them to call in three or four times, mainly to water the plants, feed the cats and keep a general eye on things. The charge for this would be about £25—not much when added on to the total holiday cost. However, because the service they offer is so individual it's impossible to quote exact prices—if you think they could provide what you need ring them on 01-837 5935. Their address is 28 Launceston Place, London, W.8.

When in France . . .

As the holiday season moves into full gear, in villas all over the Continent those British who prefer to cater for themselves will have the chance to explore the mysteries of the local markets and corner shops. For those who are planning to go to France, JUDY WHALE, who has been looking after husband, family and friends in their house near Deauville for many years, has garnered some invaluable local experience. . . .



ICI COMMENCE LA NORMANDE. BREVAGE OREILLIERS.

"ICI COMMENCE la Normandie," reads the sign as we drive off the boat. Euphoria sets in as we indulge ourselves with the local goodies from the market that give Norman cooking its special character: thick, slightly sharp cream and fromage frais (you take your own jar). Point l'Évêque, Camembert and corned chickens. These are what Parisians take home with them.

The charcuteries look like banquet-halls, especially on Sundays, and if you're bemused by the array you can ask for a taste. Our favourite is Galette Normande: a ham and mushroom mixture enclosed in pastry.

When we first acquired our house near Deauville 10 years ago I used not to budget much. Things are different now; but over the years I've learnt that you can still eat well if you shop around and take advantage of modestly priced local produce, with occasional splurges. And this is true all over France.

In our case, fish comes into its own. Mackerel, plaice (carrelet) and lemon sole (limande) are all cheap, and since they've come straight out of the sea they're only the simplest treatment. If you fillet them yourself rather than getting a free lesson while the fishmonger does it, keep the carcasses for a fishy Avgolemono soup.

Have a go at a Mediterranean-type fish soup, too, but stall-holders make it, even in Normandy; not cheap, but a litre jar goes a long way, and with grated cheese, cream and croûtons it saves you a meal out. If you're baffled by unfamiliar fish, ask the stall-holder how to deal with it. I've learnt a lot from our local market sage, inevitably known as Madame Poisson.

Lotte, for example, ugliest and best of fish, looks like exposed muscle, but when cooked is firm and full of flavour. Madame Poisson advises baking it with tomatoes, onions, mushrooms, parsley, seasoning and a little white wine. (This technique suits whole daurade—sea-bream—and tunny steaks too.) A friend flames lotte in cognac, and my next-door neighbour grills it, cubed, en brochette, alternated with prawns and mushrooms.

Then there are all those vegetables. This is where you can really save money. We like Arabella Boxer's vegetable stew that adds green beans and potatoes to a ratatouille mixture, and then there's capcrata, a French way of combining tomatoes, green peppers, aubergines and celery with a head of fennel.

You can use blette (Swiss chard) spines, cooked and cut up, in a cheese sauce or a simple tomato one along with chopped gherkins and capers. Treat the leaves like spinach, particularly for a salade cuite: mix cream, lemon juice and seasoning into the cold cooked vegetable. Fromage frais, a cross between yogurt and cottage cheese, makes a splendid salad-dressing base too; and in vinaigrette you can economise by using half olive- and half sunflower-oil. You get the olive taste without the cost.

There are other dodges to help the budget, starting with what you should take with you: butter, cornflakes, marmalade, biscuits, chocolate, demerara sugar, and baked beans and

squash if your children dote on them. We shop at supermarkets for oil, wine vinegar and huge jars of mustard and gherkins. At the good ones—Codec is particularly high grade—I buy meat, dairy produce and greengrocery that Parisian friends have approved of.

But remember that what's cheap at home isn't always so in France. Mince is usually beef-teeck haché, which may make the best hamburgers you've ever tasted but produces a jolly expensive shepherd's pie. Pork is reasonable, though, and sausages (breadless) make a good supper baked in red wine.

Don't forget food for free: try young-dandelion salad, pick blackberries, cox mussels off the rocks, dig up cockles and go shrimping. All this also provides plenty of activity for the young—as do barbecues.

My quick contribution to barbecues is sorrel sauce: a handful of sorrel, cut into strips, melted in butter, with cream and seasoning, cooked hard until thick—ambrosia with chicken or fish.

Then there's cheat food. Knorr soups don't have the gelatinous quality of those sold over here, and there are some interesting kinds: pistou, pesto, and boue. Tins of Liebig gazpacho are excellent, if dear. Don't sniff at other tins either: maqueriaux au vin blanc are very acceptable, saisisifs is fine in cheese sauce (you could cheat further and use a packet). lentils are good too and also as a salad with lots of chopped onion and a mustardy vinaigrette.

Putings are simple: fromage frais on its own with sugar or plus fruit; peaches sliced into large glasses, sprinkled with sugar and just covered with red or white wine. (Eat them soon afterwards, though.) Strawberries respond well to port; bananas to calvados, sugar and cream. There's also mont blanc—sweet chestnut purée set off by that sharp cream.

But if we really want a blow-out, and I'm in the mood to

spend time on it. I do my un-classic version of Sole Normande. It uses any kind of flat fish fillets (plaice is ideal) and varying accompaniments; I call it:

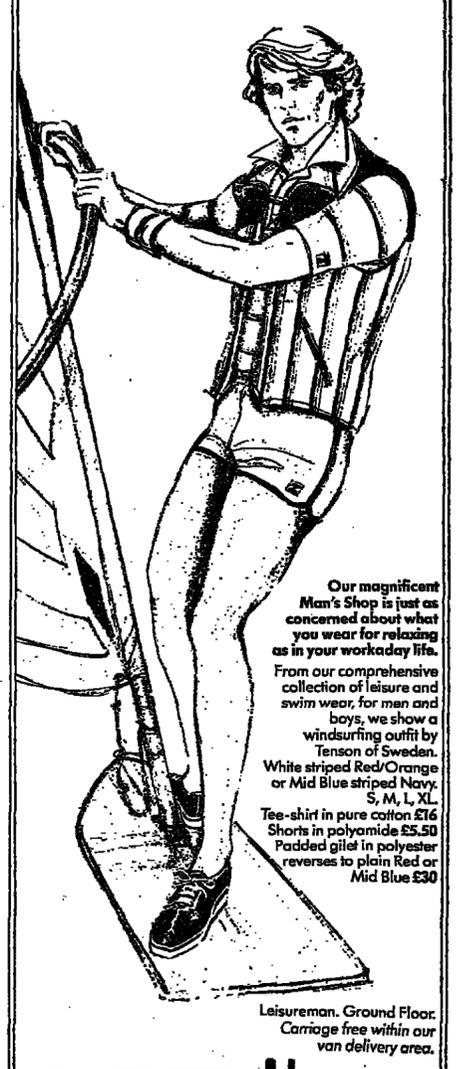
Fillets de poisson à la Villersoise (for 4)
Eight single or 4 double fillets of flat fish; 1 small onion, chopped; one-sixth of a litre of dry white wine (plus a little extra for mussel-opening); 1 litre mussels (or cockles, clams or even squid); 125g large peeled shrimps, prawns or crayfish; 8 whole prawns; 125g button mushrooms; 2 egg yolks; 150g cream.

Open the mussels in white wine over high heat, remove from their shells and reserve them, straining the liquor into a small heavy saucepan. (Treat similar shellfish in the same way: cook cut-up squid in butter.) Cook the mushrooms quickly in butter, drain them and add their juice to the mussel liquid. Peel the whole prawns' tails, but leave their heads on. Beat the egg yolks with the cream.

Butter a large oven dish, lay the skinned fillets in it and dot with butter. Cover with white wine and heat gently in simmering-point on top of the cooker. Then put them in a pre-heated 350 F (180 C, gas mark 3) oven and cook, covered, for about 10 minutes, until just firm.

Carefully drain the liquid from the fillets into the saucepan and keep them warm. Now add the onion to the collected liquor and reduce like mad to less than half. While you're doing this, gently heat the shrimps and prawns, mussels (or whatever) and mushrooms in three different small saucepans. Strain the reduced liquid into the egg and cream mixture, discarding the onion; season, return to the pan and cook gently until thickened. Add the mushrooms, pour sauce over the fillets, arrange the shrimps and mussels round the edge and decorate with whole prawns or spinach. Bon appétit.

Dress For Action



Our magnificent Man's Shop is just as concerned about what you wear for relaxing as in your workaday life. From our comprehensive collection of leisure and swim wear, for men and boys, we show a windsurfing outfit by Tenson of Sweden. White striped Red/Orange or Mid Blue striped Navy. S, M, L, XL. Tee-shirt in pure cotton £16. Shorts in polyamide £25.50. Padded gilet in polyester reverses to plain Red or Mid Blue £30.

Leisureman. Ground Floor. Carriage free within our van delivery area.



ENTERTAINERS
A beautiful glass. Generously proportioned with a graceful fullness, it adds style to any drink and any gathering. Fully blown and well-presented in boxes of six. British made Entertainers make a fine gift. Sherry or port, wine, mixed drinks, brandy, goblets and high ball glasses. From around £2.30 for six.



Available at leading stores.

BOOKS

Proconsul who waited for power

BY C. P. SNOW

Milner by Terence H. O'Brien. Constable. £10.00, 447 pages

People walk a little taller if they feel part of something grander than themselves. The something may be, to external eyes, absurd. Never mind. Just visit a town whose football team has won the F.A. Cup. Some modest lives in this country were once given bursts of pride because they were members of the British Empire. How many were buoyed up like that, we don't know, and have no means of knowing. There were plenty, though, who liked looking at a map which had large expanses coloured red.

For how many years did that last? Not long. Our Empire was shorter lived than most. The publicists gave encouragement that it was going on for ever. Kipling had deep prophetic intuition, and *Recessional* was the anthem of an Empire already in decline.

ment in the Fabian Society. Beatrice Webb and H. C. Wells were neither of them especially prone to admiration, but both admired Alfred Milner.

Milner was the ablest, and in many ways the most impressive, of those who made the Empire their cardinal mission in politics. He is worth studying with respect—and with a speculation as to what a young Milner would do now. Probably a potential young Milner would scarcely have heard of the original. That is one of the injustices of fame. This book of Terence O'Brien is an attempt to put the record straight. It is exceptionally thorough, steady rather than sparkling, conscientious, knowledgeable about English governing society 1890-1920, which was when Milner was a major presence. It needs a bit of digging into, but O'Brien has probably discovered nearly everything of significance about Milner's life.

He was prepared to wait years before he got anywhere near an adequate field of operation. In the 19th-century fashion, he did unglamorous jobs, private secretary to politicians, miscellaneous journalism. It was apparent to some observers that he had the makings of a superb administrator. His kind of intellect, industry, practical sense, mixture of ironic charm and strong will, all worked together. And in due course he became one of the best administrators of his time. Rather more surprising, he also exhibited a singular financial flair. He was indifferent to money, except that later on he wanted to make himself independent of anyone's good will and, for that, some money was necessary. Anyway, he understood it, and that was a useful talent for one whose obsessive task in life was to bind an Empire together.

Until he fulfilled that duty, or enough of it, he couldn't rest. He certainly couldn't marry. That is not to be misunderstood. He was not Cecil Rhodes, and he didn't indulge in excesses of chastity. With his usual competence, he had a mistress unpretentiously stowed away.

He had to do his job. He was intellectually a highly sophisticated man, but he didn't doubt that the British system of government, the common law, the language, the literature, the comparative decency, ought to be spread all over the world. His Empire meant the white Empire, with India as an appendage. He was unselfconscious about talking of the duties of the British race, though by race he didn't mean what a modern politician does.

It wasn't either a lucky or a privileged life. Social mobility didn't start with the Welfare State. It may have been easier for someone of Milner's independence and intellectual talent to get to the top of national affairs in 1900 than it would be now. His father was a member of an English family long settled in Wurtemberg. One of Milner's grandmothers was

German, a fact which was duly utilised by his enemies. Some of his early education was in a German gymnasium, and he was bi-lingual—that also was a matter for suspicion. His father was a remarkably unsuccessful doctor. There was very little money, though the odd £50 was sometimes produced to help with his English education. His mother died, his father married again and lived in Germany, and Milner was, at 15, left alone, except for a woman cousin ten years older whom he had to cherish and who became an alcoholic. Milner's will was stronger than his physique, but he made his way. He went to King's College, London, still under a King's, King's taught him well for a couple of years and then generously passed him on to Balliol.

He was an academic flyer from the start. In the 1870s, that meant doing Mods and Greats and a succession of examinations for University prizes. Milner went over those hurdles with supreme competence, though he got tired of them. The academic life would have embraced him, but he wanted none of it. Jowett at Balliol was making sure that men like Milner should get to high positions in the State. That was precisely Milner's idea too. Milner was making his plans a hundred years ago (the year was born in 1854). Today a young man of his talents would feel embarrassed to say that he wanted, above all, to serve the country. Milner, adding the

Empire, could have said just that. And he could have thought to himself that he was certain he could do it better than most men and that he proposed to be at the centre of things. He wasn't modest though he was quiet and unassuming. He seems to have impressed others without effort. A kind of undemonstrative confidence must have been radiating from below the surface. He wasn't a good speaker, and he had none of the histrionic gifts. He knew himself well, and he decided early that he wasn't equipped to be a popular leader. But he had major gifts of private persuasion. On paper he sounds more austere than he was. In fact he was at his happiest, and could exert a sort of hypnotic influence, when giving small dinner parties in clubs. He was unusually kind in personal matters for a man of high affairs, and abnormally free with money when he had any.

He had splendid gifts, but political intuition, or foresight, was not one of them. That mission of his was flatly impossible. It attracted some of the cleverest and most idealistic young men of the day. But it just wasn't on. Still, the jobs, the tasks, the reverence duly accrued to Milner. After waiting patiently until his mid-30s, he duly got planted at the centre of things. He took a hand, and an effective one, in governing Egypt. He was invited to become head of the Treasury. He did become chairman of the Inland Revenue.

None of that satisfied his deepest passion. Then he was invited to be High Commissioner of South Africa—with the Boer War looming ahead. That was more like it. It was then that he became the Milner who for a time became something of a myth. It was in certain ways a forbidding myth. He was driven by the logic of a realistic and in the narrow sense—an unpolitical mind. If you were going to hold the Empire together, you needed troops. Hence conscription. That wasn't popular with the politicians, nor the soldiers. If you were going to hold the Empire together, you couldn't afford to have splinters flying off. Hence no concessions to Afrikaners—nor to the Catholic Irish. By this process of historical necessity, he became one of the obdurate defenders of Protestant Ulster.

None of the political parties of the period satisfied him. In domestic matters he had no use for *laissez-faire*, and had strong sympathies with various kinds of dirigist socialism. Yet the dynamics of necessity drove him, more and more insistently, towards the far Right. He made a good end, though. His last major job was also his greatest, and his least controversial, as now Milner was the most formidable leader of Conservative opinion. Lloyd George wanted him in his 1916 Government. Further, Lloyd George knew high capacity when he saw it. Milner wouldn't have accepted unless



Alfred Milner: a new life of the statesman is reviewed today

he was invited in at the very top. With prescience Lloyd George did just that. The proud incorruptible Milner was brought into the tiny War Cabinet, one of five. There he was at his most valuable. Lloyd George wanted someone to look after home affairs. His own administrative efforts were always slapdash,

and anyway he had other things to do. So Milner did very much the job that John Anderson did for Churchill in the second world war. Milner did it with his nonpareil efficiency. With a pleasant irony, it was nowhere near the work he had set himself as the justification of his life, but it was the best he ever did.

Fiction

Berger's peasants

By ISABEL QUIGLY

Fig Earth by John Berger. Writers and Readers Publishing Co-operative, £4.95, 213 pages

The Egghead Republic by Arno Schmidt. Translated from the German by Michael Horowitz. Marion Boyars, £5.95, 164 pages

London Irish by John Broderick. Barrie and Jenkins, £4.95, 218 pages

I'm not sure how neatly John Berger's new book fits my column, but neatness isn't a property of current fiction, which overflows into other genres and even disciplines. *Pig Earth* is the first volume of a trilogy in which Berger means to examine the threat to the world's peasantry, a class of survivors he believes may not survive much longer. Certainly Western Europe doesn't look like letting them last beyond the end of the century. But what are these sociological facts to do with fiction?

This that the peasants' world can still be caught, at the tail-end of its existence, through the village tales of past and present—not folklore so much as gossip, which provides "a communal portrait, in that everyone is portrayed and everybody portrays." So he has stories told by individual members of the French village community in which he lives; people who are presumably exemplary, yet very much themselves—single, isolated, credible (readers of *A Fortunate Man* may recognise

the method in another form)—in actions and events that are cyclical and familiar: rituals, movements away from the village and back, crops and disasters, the loss of a cow, the slaughtering of a pig.

These are sandwiched between an extensive foreword and an afterword on the reasons for the survival of peasants over thousands of years, and their probable extinction in our lifetime. There are also poems interwoven with the stories, short descriptive verses about hay or potatoes, a sunset or a village death.

Has Berger caught something valuable before it vanishes? I think so. Inevitably, in another language and writing from another culture, addressing quite another audience in another country, there's a sense of distance, loss, even mis-hearing. But much else as well: a return to something like Berger's fierce early prose and close vision of things—objects and happenings—which recalls, perhaps, Lawrence. He shows that a way of life or a dying world is better preserved in artistic form, obliquely, than in statistics and generalities, facts and figures. There is a Wordsworthian touch about the way he gives his piercing personal vision to the inarticulate, before they vanish in this particular form.

The *Egghead Republic* is science fiction of enormous verve, and much of the credit for its linguistic exuberance must presumably go to its translator, Michael Horowitz. It even makes you accept quite

cheerfully its weird conventions of typography and spelling, used to carry Charles Henry Winer, 30 years old in the year 2008, to the International Republic for Artists and Scientists (the Egghead Republic of the title), where the world's intellectual elite has been dumped by the great powers to escape atomic annihilation. To approach it he must pass through the Hominid Strip where live some of the mutant survivors of the catastrophe—centaurs and centaurettes among whom Thalia, blonde huntress, is the first to catch him.

Winer's adventures in the Horse Latitudes, a calm in the Sargasso Sea where the jet-propelled island on which the Republic exists is moored for the moment, are entertaining but excessively complicated by the narrative style: which in one sense provides its own joyous justification for existence, and in another its self-defeating, because altogether too gnomic, too convoluted. The only straight story of the three is John Broderick's *London Irish*, which has, among its qualities, much sociological interest. Plenty of fiction has dealt with particular social circles, their overlappings and inter-weavings, but I don't remember any about the "assimilated" Irish in London, a farflung network, it seems, of relationships and loyalties and self-help, based on particular pubs, churches, and key figures, coming together at funerals, helpful, busy, interlocking. It is a community that seems monolithic, impenetrable, with



John Berger: rural survival

a benign godfather, Andrew Pollard, successful building contractor who for forty years has helped his countrymen with jobs, housing, arrangements of all sorts; a pious Catholic (with a staunchly Orange partner) involved, when the story starts, almost to the point of marriage with a young American secretary in his firm. Pollard is old and childless; a nephew and niece will, if things carry on as they are, inherit his fortune; money and affection both enter their plans and doings; no one is quite heroic or quite villainous; the old country's strict and peculiar standards still apply in permissive London. It is a community that seems monolithic, impenetrable, with

its own language and its shared memories, its rituals, understandings, insiders, successes, its wealth displayed in the mink coats of its women, the good tailoring of its men. Apart from all this, the novel has a good touch with both the look of things and the underlying reasons for them, with behaviour and motive, and with the slightly wry and the possibly worthless who are never quite what they seem or may be. While showing their weaknesses with candour, their deviousness with understanding, John Broderick makes one like almost all his characters, and enter their rather closed and specialised world with a curious degree of involvement.

Tory in-fighting

By MALCOLM RUTHERFORD

Power and Parliament by Timothy Raison, MP. Blackwell £5.95, 115 pages

Mr. Timothy Raison's little book is one of the first in a series to be published by Blackwell and known as *Mainstream*. The intention is overtly political. The editors of the series include Lord Blake, the Tory historian, Mr. Leon Brittan, like Mr. Raison now a Minister at the Home Office, and Mr. Jo Grimond, the former leader of the Liberal Party. Their aim is to make *Mainstream Books* the 1980s equivalent of the Left Book Club of the 1930s, only from the other end of the political spectrum.

The Left Book Club not only publishes such authors as George Orwell. It had a formidable number of subscribers, some of whom organised themselves into local groups which would meet on a regular basis to discuss the book of the month. It is said by some that it had a seminal influence on the intellectual climate of the time, though a more accurate way of putting it might be that it was the climate of the time that led to the formation of the club.

The origins of *Mainstream* are not dissimilar. There is a feeling among the editors that books of a certain political complexion have found it difficult to find publishers, yet at the same time intellectual opinion in the country has been moving steadily to the right, or at least in the direction of anti-

socialism, anti-corporatism and anti-collectivism. *Mainstream* is an attempt to give full play to writers who express such views. One day may be there will be tea parties or, perhaps more appropriately, champagne parties to discuss the *Mainstream* book of the month.

The parties seem unlikely to start with Mr. Raison's contribution. The first part of a book that has only 115 short pages, and yet which costs £5.95 to a non-member of the club, is obscure even to a reviewer who is supposed to specialise in British politics. There is clearly more Tory intellectual in-fighting than one had ever guessed. Much of it appears to be an attack on Sir Ian Gilmour's latest book, *Inside Right*.

As well as a suspected Left-wing deviationist, Sir Ian is now Lord Privy Seal and spokesman in the Commons for foreign affairs. His boss, Lord Carrington, will no doubt shortly be denounced for being a Whig.

Inside Right never seemed much of a book, if only because it consisted so largely of quotations. It provoked a response of a kind from yet another Tory who has since become a Minister, Dr. Rhodes Boyson. Dr. Boyson called his own book *Centre Forward*. It is left to Mr. Raison, however, to produce the more intellectual challenge. To understand it we need to know about Philippe C. Schmitter and Mihail Manoilescu, the latter being described by the former (Review of Politics, 1974, Vol.

36, pp 85-131) as "that most original and stimulating of corporate theorists." This reviewer had never previously heard of either, and in a book so full of misprints cannot vouch for the spelling. On the other hand, Manoilescu's point that there is a distinction to be drawn between *corporatism pur* and *corporatism (sic) subordonné* seems perfectly obvious, and could have been made without reference to the sources. Any doctrine, after all, can be applied by degrees.

Mr. Raison, at any rate, is against corporatism in all its forms, though his publishers are uncertain how to spell it. Having established that, he goes on to a few brief chapters on power and Parliament. The thesis is that Parliament ought to be rather stronger, but should use its powers to allow greater freedom of choice. The chapter on the relationship between central and local government is persuasive and could be more so, if expanded into a book. As it is, it reads like an attempted discussion paper for one of those tea parties.

It is a pity that Mr. Raison, the original editor of *New Society*, should have gone in for this sort of thing. He could do better. So perhaps can *Mainstream Books*. Yet the thought remains that, having won the election, the Tories have everything to gain from reverting to being the stupid party of British politics. There is no telling where all this intellectual pretentiousness may lead.

More jottings from Max Gate

By GEORGE WATSON

The Personal Notebooks of Thomas Hardy edited by Richard H. Taylor. Macmillan, £15.00, 301 pages

Two nagging questions about Thomas Hardy. A genius, of course; but how intelligent was he? and (a highly distinct question) how much of an intellectual? This new edition of his surviving notes, and the first complete one, makes both questions a little easier to answer. He was always a compulsive note-taker with a lust for self-improvement, both mental and social. In 1867, living in London as a young architect, he read hugely at night, studied French at the University of London, went to new plays, such as they then were, and took to visiting the

National Gallery daily, conscientiously spending twenty minutes on a single painter at each visit. He even toyed with the idea of becoming an artist, as the "Schools of Painting" notes show.

He also cultivated duchesses. The notes stretch from 1867, when he was 27, to a few weeks before his death in 1928, and Dr. Taylor's task would have been even greater had he not destroyed many of them in 1919-23, as he dictated his own life in the third person to his second wife. This was a strange, stealthily proceeding, and Dr. Taylor makes no attempt to disguise its egotistical fervour, and puzzles greatly over whether J. M. Barrie, Lawrence of Arabia and even E. M. Forster were in the know. The *Life of Thomas Hardy* that

appeared in two volumes shortly after his death as the work of his widow Florence was almost certainly composed by himself, apart from the last two chapters; and this book prints for the first time passages prudently omitted by the widow, sometimes at Barrie's suggestion, as too revealing of Hardy's interest in other women or his bitter resentment over reviews. Nothing gloomily parsimonious about his later life at Max Gate in Dorset, though: Hardy was proud of his famous and titled guests there, and proud to be seen at the best dinner-tables in London. His *Life* is now shown to have been expurgated. But it remains the best book about Hardy, if about is the word. What other writer in modern times, Sir Lewis Namier apart, took so much trouble to

ensure that his official life should be just as he would wish? Hardy cared enormously about the world's opinion, and worked hard for it.

The new book is rich with aphoristic plums, such as "Nothing is so interesting to a woman as herself." It contains Hardy's notes for *The Trumpet-Major*, packed with Napoleonic details for that novel, down to sketches of military uniforms. But it will remain a work for the studious, an indispensable one. Macmillan might now consider a new edition of the *Life* enlarged with the fragments restored to their original context. This here is forever the best of guides to a great novelist who has only recently been accepted as a still greater poet. Add to that an article or two by Mr. Philip Larkin, who has generously proclaimed Hardy's

influence over his verse; Mr. Robert Gittings's recent two-volume biography; and Professor Donald Davie's *Hardy and British Poetry* six years ago, that confirms how profound an influence on English poets he has been since the 1850s. The Hardy industry is by now huge. The *Personal Notebooks* is an edition that stands a little to one side of all this endeavour, though helpfully corroborative. These are not the most revealing notesbooks by a novelist; Henry James's are, that, and likely to remain so. And they strikingly fail to establish Hardy as that dedicated advocate of rural values that many of his admirers have supposed him. He loved his honours and his dignities, and enjoyed being a metropolitan literary lion. But he was an intellectual by earnest aspiration; and intelligent, very.

Crimes at home and in foreign parts

By ELIZABETH FORBES

Tomorrow's Ghost by Anthony Price. Gollancz, £4.95, 256 pages

Frances Fitzgibbon, pulled out of an under-cover operation ostensibly to assist Colonel Jack Butler in hunting an Irish Freedom Fighter in Yorkshire, finds herself investigating her boss, helped by Paul Mitchell whose expertise in military history once again proves crucial to the enquiry. The different strands of present, recent past and more distant past are woven skilfully into a tapestry whose pattern becomes apparent only on the final page.

Saturday of Glory by David Serafin. Collins, £4.25, 224 pages

The apparently straightforward suicide of a journalist in post-Franco Madrid is revealed as murder with motives and implications that threaten the career of Superintendent Luis Bernal, whose resemblance to the late Caudillo does not extend to his politics. Against the graphically painted Spanish background Bernal, plagued by an elderly wife with religious mania, consoled by a young mistress during the siesta hours, doggedly continues his investigation, a convincing cop and a likeable man.

The Patriots by June Drummond. Gollancz, £5.25, 302 pages

When Mark Ramsey, liberal Parliamentary candidate in Durban, by-election is shot during nomination proceedings, his campaign manager, Maurice Faber, suspects that the assassination is intended to prevent the Black Summit conference, supported by Ramsey's party, from taking place. Faber's enquiries lead him in search of a black leader who might avert the otherwise inevitable bloodshed. Set a few years in the future, the book casts a chilling eye on the South African political scene.

Screen Test by Sara George. Macmillan, £3.95, 192 pages

During her first week in New York, aspiring British actress gets involved in a death from smack (heroin) and sets off by road to find a West Coast film producer whose address she doesn't know. Reminiscences of old movies abound, from "it happened one night" to a Clouzot film of the 'fifties derived from a novel in the *serie noire*, but the trans-American trail, seen through fresh eyes, is as potently atmospheric as ever.

Rainbow's End by Ellis Peters. Macmillan, £3.95, 191 pages

Everyone in the Welsh border village loathes Arthur Rainbow, so when somebody pushes the Birmingham antique dealer off the church tower there is a plethora of suspects. As the police seem baffled, Bossie, 12-year-old star treble of St. Eata's choir, expert forger and keen archaeologist, tries his hand at detection, nearly getting himself murdered in the course of unmasking the culprit. Bossie could become addictive.

Sporty warriors

To Face the Daring Maoris by Michael Barthorp. Hodder and Stoughton, £6.50, 237 pages

Among the Maoris of New Zealand, the most common names are Rangī and Raupapa—almost as if every Red Indian were called Geronimo and Sitting Bull. For Te Rauparaha and Te Rangihata were the leaders of the First Maori War (1845-47). Converted Christians warriors faced a British Army incompetently led—and as more books come to be written

about Britain's colonising past, this fact emerges more clearly. In this case, the British soldier won by his power of keeping on their more sporting attitude in war—you knocked off and went home after the day's match. Mr. Barthorp's subject will find a more attentive audience in Auckland than half a world away in England, but his description of the structure and day-to-day routine of the British Army in the 19th century is as clear and simple as an exposition of the subject. I have read nowhere else. JOHN DUNSTON

Jellicolito

ARTS

The ups and downs of Old Masters

Some surprising news at Christie's sale of Old Master paintings... The most highly priced was a Fra Bartolomeo Madonna and Child...

ANTHONY THORNCROFT

Rival to Disney

San Francisco's Pier 39 is a useful first-floor spectator platform for some of the live shows that take place in the open, such as the daily high-diving act which features a team of stunt divers from an 87 ft platform into a 9 ft tank...

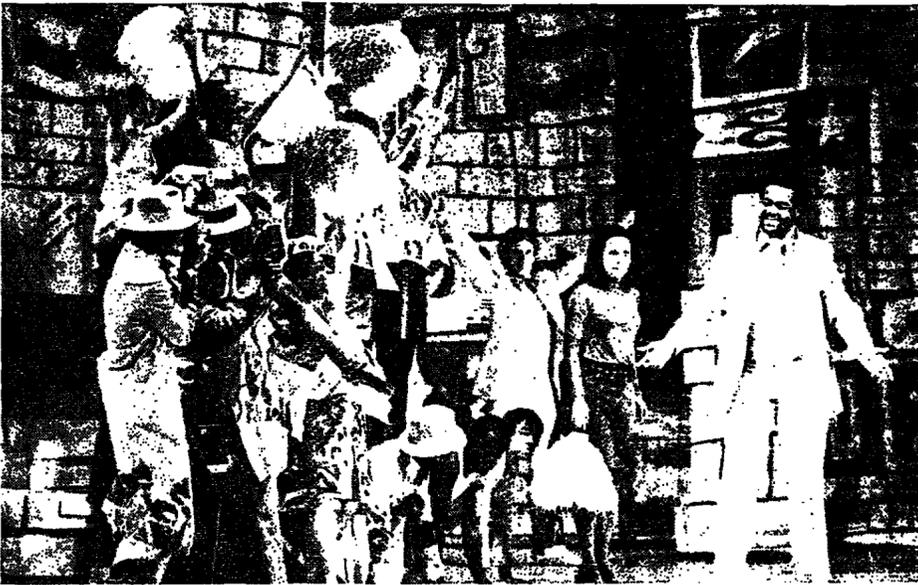
The San Francisco waterfront experience is a relevant and timely one for British architects, planners and conservationists to consider. Through the principal docklands areas in our major cities that have been abandoned by the shipping industry...

National Book Awards The Arts Council of Great Britain has announced a major new series of literary prizes worth more than £22,000—the National Book Awards...

American premiere of The Ice Break

While Covent Garden was reviving The Ice Break, the Opera Company of Boston was giving the American premiere of the piece...

Moreover, the piece and its performance grew more vivid from being given in a town where the action might have been happening in the streets outside. The opera chimed with a report in the New York Times: "Despite its desire for a progressive and liberal reputation, Boston simmers with racial tensions that regularly boil over in incidents ranging from verbal abuse to street brawls, stonings, and fire-bombings..."



The arrival of Olympion (Curtis Rayam) in the first act of The Ice Break

her death scene was tender, radiant, poetic, and deeply touching. Richard Friedrichs brought exactly the right somber, troubled yet noble note to Lev. Between these artists and their London colleagues there was little to choose. Leigh Munro, Gayle, was more lifelike but vocally less vivid than Josephine Barstow; Curtis Rayam was a stronger Olympion than Clyde Walker. There was a touch of genius in Jeffrey Call's utterance of Astron's pronouncements; this scene—far more potently staged than it was in London—made sense for perhaps the first time.

way to make their merits and beauties seem paramount and their possibly flawed points comparatively unimportant. The stilted mock-American slang that in London was so much criticised became in America an odd, quirky, formalised language. The work played to four packed and enthusiastic houses.

Free lunchtime entertainment will be presented at St Paul's Portico in the Central Market Plaza, Covent Garden, W.C.2 until August 31 from Monday to Friday every week between 1 pm and 2 pm each day.

Covent Garden street theatre

market buildings were deserted and hoarded up; now their renovation is nearly completed, the street has been recobbled, and the headings moved right back to reveal an open space making an exciting venue for open air entertainment.

wreckers' ball, in days when cinema audiences dwindle. Others have become the hunches of the St. Louis, Pittsburgh, Vancouver, Columbus, and Oakland Symphonies. These places, "dream palaces," all have a kind of popular splendour very different from the austerity of many modern halls and auditoriums, or the vulgar ugliness of New York's Metropolitan and Avery Fisher Hall.

ANDREW PORTER

Each week a different group of performers will present their latest work. The programme includes clowns, music, theatre and a puppet show.

Cécile Ousset

Cécile Ousset has already been called phenomenal in these pages; and indeed she is that—an extraordinary pianist of apparently limitless technique, in whose hands the keyboard's fiercest challenges seem no more than a preliminary flexing of the muscles, and of lion's strength, who can sustain the biggest virtuoso programme fresh and tireless, with energy to spare.

For her physical gifts alone she would be remarkable; but it is the wholeness of her artistry that makes her a phenomenon. She is lioness and poet together; she can coax and charm, and weave magical tissue from the subtlest musical thread, as sure as she storms the grand-romantic heights. Her playing has the warmth and close focus, and the electrifying presence, that sets it instantly apart from brilliant note-spinning. Word is beginning to go round: the Elizabeth Hall was at least half-filled for her recital on Tuesday evening. But if there's any heart at all in London's musical life, it cannot be long before they are queuing at the door.

She began with Beethoven's Pathétique sonata op. 13—a leisurely, carefully drawn account, powerfully driven, unerringly aimed. In a certain manner it was very French, but French is the most stylish and cultivated sense, without any kind of fussiness or sentimental intrusion, the adagio melody unfolded broad and clear, the rondo finale a splendid marriage of rhythmic ripple and lightness with firm sonority and line. Mile. Ousset's control of sonority is in any case one of her most commanding virtues. It was flawless in Chopin's F minor Ballade, which she dominated everywhere to marvellous (and never gratuitous) effect with a chorus of inner voices and subterranean colours.

DOMINIC GILL

CONCERTS

ROYAL FESTIVAL HALL TOMORROW at 3.15 p.m. PETER KATIN CHOPIN RECITAL

LONDON SYMPHONY ORCHESTRA ANDRE PREVIN DIMITER PETKOV LONDON SYMPHONY CHORUS (Gentlemen) DEBUSSY: Images SHOSTAKOVICH: Symphony No. 13

STANLEY POPE PHILHARMONIA ORCHESTRA MOZART: Overture, The Magic Flute MOZART: Symphony No. 41 (Jupiter) BRAHMS: Symphony No. 2

QUEEN ELIZABETH HALL TUESDAY NEXT 3 JULY at 7.45 ALLEGRI STRING QUARTET with Moray Welsh, cello

ROYAL ALBERT HALL VICTOR HOCHHAUSER presents SUNDAY 8 JULY at 7.30 VIENNESE EVENING

ROYAL ALBERT HALL VICTOR HOCHHAUSER presents SUNDAY 15 JULY at 7.30 TCHAIKOVSKY

ROYAL ALBERT HALL VICTOR HOCHHAUSER presents SUNDAY 22 JULY at 7.30 GUARDS BANDS SPECTACULAR

WIGMORE HALL Tickets from Wigmore Hall, 38 Wigmore Street, W.1. (01-235 2141) Manager: William Lyle Mailing List £1 a year

MONTEVERDI VESPERS Played on original instruments by Candlelight THE RICHARD HICKOX SINGERS THE LONDON GABRIELI ENSEMBLE Conductor: RICHARD HICKOX

CHRIST CHURCH SPITALFIELDS Commercial Street, E.1. 350th ANNIVERSARY CONCERT FRIDAY NEXT 6 JULY at 7.30 p.m. JULIA CLOAD piano HERTFORDSHIRE CHAMBER ORCHESTRA

VICTOR HOCHHAUSER presents SUNDAY 1 JULY at 7.30 GUARDS BANDS SPECTACULAR The Massed Bands of Grenadier Guards, Coldstream Guards, Irish Guards, Junior Musicians Wing, Guards Depot

VICTOR HOCHHAUSER presents Direct from China the Legendary PEKING OPERA first time in London for 25 years - a magnificent spectacle of dance, drama, acrobatics, comedy, mime and song - sumptuous costumes, dazzling colours - a unique entertainment

Royal Opera House The Royal Opera 8, 10, 13, 16, 19, 21 July at 7.30 pm IDOMENEO

The Middleton way

Thomas Middleton whose *A Chaste Maid in Cheapside* was broadcast this week (Radio 3, June 24) is an acknowledged influence on the most radical writers among our contemporary playwrights. They see him as a kind of Jacobean Brecht. In the only professional production which the play has had in the theatre since it fell into disuse about 350 years ago—the Royal William Gaskill at the Royal Court in 1964—the text was adapted by Edward Bond. For the radio production the adapter was Peter Barnes. In the meantime we have had in the theatre a glut of productions of *The Changeling* and an attempt by Mr. Gaskill at the National Theatre to re-habilitate another tragicomedy by Middleton and Rowley, *A Fair Quarell*. We have also had a completely re-written modern version of Middleton's *A Mad World, My Masters* by Barrie Keeffe (directed by Mr. Gaskill and Mrs. Stafford-Clark for the Joint Stock Theatre Group) and such Middleton-inspired original works as Howard Brenton's *Epsom Downs* which was broadcast two weeks ago in a radio adaptation by the author.

The episodic structure of Middleton's work giving a picture of a corrupt society painted in every shade from grey to black and with a comic sense that is aggressively designed to disgust provides the contemporary radical playwright with the perfect model; but he seems to me still to have to offer audiences really convincing proof of its strength and

permanence. The most successful production given under the Middleton banner, as it were, by Joint Stock so far has been *Epsom Downs* and the comparative failure of *A Fair Quarell* showed how difficult it is for us to accept today the mirror-effect which Middleton is favoured of several related plots and no clear-cut hero or heroine. This problem is if anything even more acute in *A Chaste Maid* which R. B. Parker in his superbly researched edition describes as "a non-classical confederation of plots and episodes which must be analysed in terms of parallelism and thematic consistency if we hope to find its unity." Happily radio can take such

RADIO

ANTHONY CURTIS

a proliferation of incidents in its stride provided we can readily identify who is speaking. Among its strong team of principals Martin Jenkins's Radio 3 production had Paddock as the voracious London goldsmith Yellowhammer eager to barter his daughter (Sarah Badel) and Cambridge educated son Tim (Andrew Branch) as readily as his wares in the cutthroat metropolitan marriage market, as egged on by his silly snobbish wife (Doris Laye). "I will lock up this baggage," growled Mr. Paddock after his child's failure to escape with her lover (John Rowe) "as carefully as my gold."

The tribulations of the Yellowhammers might well have served the average dramatist with enough mileage for an entire evening. Middleton compounds them with those of the Kix's (Sian Phillips and Peter Jeffrey) who cannot create, thus forfeiting an inheritance; the Touchwood Seniors (James Laurensen and Josie Kidd) who cannot stop procreating; and a really dreadful individual called Allwit (Richard Eriers giving the only subtle performance in the production) who, in exchange for a comfortable subsistence, permits the vicious Sir Walter Whorehound (Norman Rodway) to do his procreating for him with the connivance of Mrs. Allwit (Petra Davies).

That is by no means a comprehensive list of those in this play who have turned the act of procreation into a perversion out of an insatiable cupidity, but it will do. What should hold it all together is our sense of a soft London underbelly pululating with such creatures (the true parallel is Dickens not Brecht). Any sense of an overcast gloom lacking in this production, punctuated by bursts of Satie-like music by Christopher Whelen. Indeed a firm director's control was nowhere much in evidence and some performances inevitably degenerated into caricature. Visual set pieces as when the two lovers rise in resurrection from their coffins proved insoluble. Still, in spite of these grumbles the programme made us forcibly aware of the smouldering satiric might of Middleton.

Victoria Vivat

His latest miscellany of Victorian painting, that with characteristic ebullience he calls "The Victorian Renaissance" is exactly what we have come to expect of Roy Miles at this time of year, a most enjoyable and never less than interesting collection of work of the period; and if some items are perhaps just a shade more equal than others, and the show as a whole a fraction arbitrary in its selection, ranging as it does from Landseer and Sant to Byam Shaw, Strang and Tuke, a few choice things make the trip to Duke Street, St James's a necessary diversion.

Amongst those that stand out are a fine early portrait by Alma-Tadema of Miss Laura Epps, painted in the month that he married her, and a tiny water-colour by Walter Knevetts, that, in addition to its manifest charm, is something of an art-historical curiosity, being a portrait of the artist's daughter, later the wife of William Rothenstein and thus the mother of our own Michael and John. And the Charles Leslie genre piece of 1847, of children playing at coach-and-horses on the furniture with the long and elegant beauty, the passenger, and the two youngest sisters supplying what the critic of the day called "the necessary quadrupeds," is my own particular favourite.

But the undoubted coup of the show is the Burne-Jones set, the four panels of the seasons which have a wall to themselves and look magnificent. Painted around 1870 they remained amongst the artists' own favourite works, and here they hang as obvious museum pieces, Spring freshly and simply personified, Summer draped more diaphanously, Autumn and Winter (shown here) positively stasque. Mr. Miles is to be congratulated not merely on bringing the set to us but on contriving to sell it intact. The good news is that, though the foreigners clustered around like nobody's business, it is to stay in this country, where it is indeed intended that it should be available for museum display.

The exhibition continues until July 31.



Six Characters in Search of an Author

Pirandello's fascinating play, in which a rehearsal for *The Rules of the Game* is interrupted by a family wanting the company to act out their own lives instead of Pirandello's fiction, calls for playing of the greatest subtlety. The players must be shown, though only momentarily, in the play they should be playing. The family, the eponymous six characters, must be shown as themselves and also as amateur actors playing themselves to the satisfaction of the director. And the company must be shown trying, with a minimum of rehearsal, to play the parts constructed by the intrusive family.

It is clear that Pirandello knew as much about directing in the theatre as about writing for it. True, some of his precepts have become out of date. "We can't have a banner on the stage saying where we are, or change the scenery half a dozen times in every scene," says the director crossly, not realising that even as the play was being written, in 1920, Bertolt Brecht was busy arranging to have the director's chair raised so that he could see the stage. It might have been interesting if John Linstrum in his new translation had substituted prejudices of our own time. "We can't have two intervals! We don't want a lot of realistic props!" his director might say.

The production at the Greenwich Theatre under Phil Young hardly manages the required subtleties. It is very slow, a fatal thing when so many points have to be insistently repeated and repeated. At a vital moment in the final act, when the family's little girl is drowned in the fountain and the little boy is found to have a pistol in his pocket, their mother and the other son are parked downstage, when they might almost anywhere else, concealing their faces from half the house. Philip Stone as the father of the six waves his arms about so restlessly, perhaps in an endeavour to look Italian, that he looks as if he were playing an amateur actor, the one thing he must not look, since the point being made is that the truth of this family's multiple misfortunes is more truthful than the best possible acting of them.

The house lights are left on at the start of each act as the company assembles under working lights on the stage. At the beginning of Act 2, Mr. Young leaves them sitting about a long with nothing to do that thought (Michael) J. Jackson their director in the play, waiving them "at exercise 11, improvisation. (And a proposal very strongly recommended by Johnstone's enchanter if faintly eccentric book *How to Play a Play*—Faber, 1958)—and the teaching of improvisation. When the family begins to demonstrate how their lives are to be demonstrated a stage, and they are very fussy about getting it right, Mr. Jackson calls for the lights to go down and the house light goes down.

The oldest of the three illegitimate children among the six characters (they have legitimate half-brothers, but he is required only to be hated) bears the main weight of the tale. She is brusquely played by Pauline Moran, being a hras character and a foreigner; that, but can produce moments of heart-searching sadness. Her mother (Mona Bruce) passes a one act working up to a great cry of distress, and never distressing it is when it comes. So it should be; she has just seen her husband seducing her illegitimate daughter, and what passes as dressmaker's but is really brother.

Coventry Mystery Play as annual summer festival
The Coventry Mystery Play, once the most renowned cycle of religious dramas in England, are to be presented each year in the ruins of Coventry Cathedral. They will be staged this year from July 31 to August 18 by the Belgrave Theatre, Coventry.

Last summer the plays were presented in Coventry for the first time in almost 400 years. The success persuaded the theatre company and the cathedral to make the present annual event within the walls of the blitzed cathedra and the Vaudeville earlier this year will play for a week at the Yvonne Arnaud, Guildford from July 4-14.

Margaret Rawlings as Empress Eugenie
The superb one-woman performance by Margaret Rawlings as the Empress Eugenie which played briefly at the May Fair

Massey the new Philanderer

Daniel Massey has now succeeded Dinsdale Landen as Leonard Charteris in Christopher Morahan's exuberant production of Shaw's second play in the National's Lyttelton Theatre. Warmly reviewed in these pages when it opened last September, the "topical comedy" as Shaw called it is interesting not only in its discussion of subjects of the day—the New Woman, Ibsenism, vivisection, vegetarianism and marriage as a social question are a few of the topics—but also in its presentation of Charteris as the nearest Shaw ever came to onstage autobiography.

Mr. Massey's Leonard is more bluffish than Shavian in appearance, with a nice line in woolliness mischievousness and a silken voice that threads in and out of the aphorisms with deceptive ease. The production strikes me as being particularly successful at working towards its climaxes, notably the pursuit of Charteris around the Ibsen Club by an incensed Julia, and Paramore's delight when Julia threatens to neglect him ("You have called me Percy! Hurray!"). Penelope Wilton is gorgeous as Julia, John Standing impeccable as Paramore. The sets and costumes are as handsome as ever.

Mr. Massey's Leonard is more bluffish than Shavian in appearance, with a nice line in woolliness mischievousness and a silken voice that threads in and out of the aphorisms with deceptive ease. The production strikes me as being particularly successful at working towards its climaxes, notably the pursuit of Charteris around the Ibsen Club by an incensed Julia, and Paramore's delight when Julia threatens to neglect him ("You have called me Percy! Hurray!"). Penelope Wilton is gorgeous as Julia, John Standing impeccable as Paramore. The sets and costumes are as handsome as ever.

The exhibition continues until July 31.

TV/Radio

BBC 1
† Indicates programme in black and white
8.05 am Open University (Ultra high frequency only). 8.55 Mithras. 9.10 Boss Cart. 9.35 Tabitha. 10.00 Film Sport. 10.25 The Space Children. 11.30 My Favourite Sp. starring Bob Hope and Hedy Lamarr. 12.58 pm Weather.
1.00 Wimbledon Grandstand: Athletics (1.05, 3.20) GDR v USSR: Canoeing (1.20): Boxing (1.40): Wimbledon 79 (1.50, 2.20): The Irish Sweeps Derby (3.05): 3.50 Final Score.
6.00 News.
6.10 Sport/Regional News. 6.15 Juice Box Jury.
6.45 Saturday Night at the Movies: "Voyage to the Bottom of the Sea" starring Walter Pidgeon.
8.30 The Paul Daniels Magic Show.
9.00 Sword of Justice.
9.30 News.
10.00 The Voyage of Charles Darwin.
10.55 The Quest.
All Regions as BBC1 except at the following times:
Scotland—12.05 am News and Weather for Scotland.
Wales—12.05 am News and Weather for Wales.
Northern Ireland—6.10-6.15 pm Sport/News for Northern Ireland, 12.05 am News and Weather for Northern Ireland.

BBC 2
7.40 am-12.40 and 1.05-2.45 pm Open University.
2.45 Wimbledon Tennis.
7.50 News and Sport.
7.55 The Sky at Night.
7.55 Grapevine.
8.25 Word for Word.
9.00 The Hollywood Greats (Ronald Colman).
9.30 Wimbledon: Match of the Day.
10.45 News on 2.
10.50 Midnight Movie: "A Double Life" starring Ronald Colman.
LONDON
8.45 am Sesame Street. 9.45 The Fantastic Four. 10.00 Superman. 10.30 The Mersey Pirate.
12.30 pm World Sport: 12.35 International Sports Special (Part one): 1.15 News from ITN; 1.20 The ITV Seven—1.30, 2.00 and 2.30 from Newcastle; 1.45, 2.15 and 2.55 from Newcastle; 3.15—The Curragh—Irish Sweeps Derby; 3.25 International Sports Special (Part two): 4.55 Results Service; 5.05 Athletics: The Europa Cup from Malmo, Sweden.
6.05 News.
6.15 The Masterspp. 7.00 Kidnapped.
7.30 Mork and Mindy.
8.00 Celebrity Squares.
8.30 Lively Couple.
9.00 News.
9.15 "Conquest of the Planet of the Apes" starring Roddy McDowall.
10.55 Police 5.
11.45 Celebrity Concert — Jack Jones.
12.05 am Stars on Ice.

12.35 Close: Personal choice with Richard Briers. All IBA Regions as London except at the following times:
ANGLIA
9.05 am Invasion Road. 9.35 Buying and Selling a House. 10.00 Julie Cluik. 10.30 Mork and Mindy. 10.55 The Maserati. 11.30 Kidnapped. 11.50 Police Surgeon. 12.20 am At The Top Of The Day.
ATV
8.55 am A Question Of Sex. 9.35 Buying and Selling a House. 6.15 pm Mork and Mindy. 6.45 The Maserati. 7.30 Kidnapped. 7.55 Happy Day. 8.45 The Maserati. 9.30 Kidnapped. 9.00 Lively Couple. 8.30 International Festival of Light Music. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 1.55 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 2.55 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 3.55 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 4.55 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 5.55 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 6.55 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 7.55 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 9.55 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 10.55 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 11.55 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1

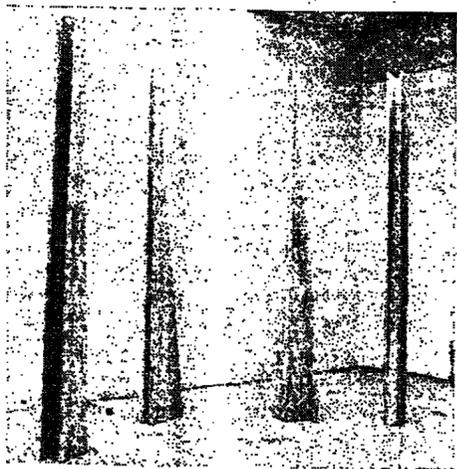
EISURE

Chelsea's degree show

IAN BENNETT

Y SUMMER, the young... of art schools all over... exhibit their work...

I visited the Carpenter... the Fine Arts Faculty... in 1973, amazed to see not...



Linda Gorrie, free standing wood sculpture

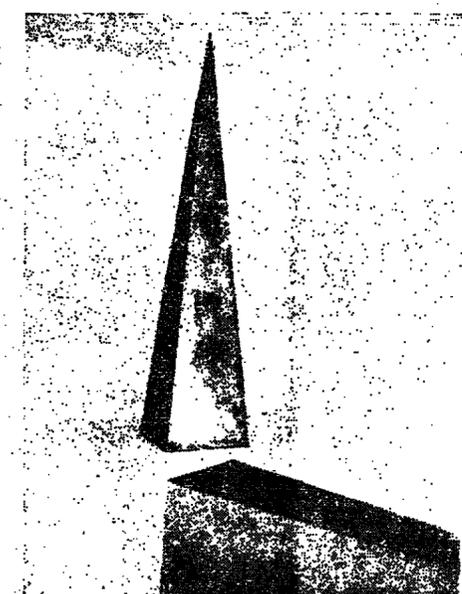
Chelsea has been very lucky... with its staff, which has included... the late Jeremy Moon, Sean...

So bad—Chuck Close, David... Hockney or Diane Ibbotson, to... name only three splendid...

By contrast, Danziger's painting... is based on a more tight-knit... and ordered mathematical prin...

Among the best of the painters... are Jeremy Asquith and... Nicholas Danziger. The former...

White mates in two moves... against any defence (by J. H... Billington).



Shirazeh Houshiary, environmental room.

and executed, are dead; only in... his most recent paintings has he...

Among the sculpture, there is... one work of absolutely breath...

By contrast, Danziger's painting... is based on a more tight-knit... and ordered mathematical prin...

The other sculptor of special... quality is Linda Gorrie: who... standing pieces are subtle and...

The four artists I have... singled out are the outstanding... talents in what is otherwise...

Literary magicians

CONSIDERING how much their... art depends on secrecy and... deception, magicians turn out...

COLLECTING

JANET MARSH

of one of the earliest books... entirely devoted to conjuring...

The 19th century was the... great age both of magicians and...



West and even, in parody, the... South-South-West-By-East. His...

Anderson had an endearing... tendency to the malapropism...

CHESSE

EDONARD BARDEN

ERLAND has become a... centre for international... during recent years...

Slean (England), Marliotti, Tatai... and Toth (Italy) and Eberlein... (West Germany) 54.

White mates in two moves... against any defence (by J. H... Billington).

side chess (he is a maths... lecturer at Oriol College, Oxford).

White mates in two moves... against any defence (by J. H... Billington).

P-K3: 3 N-B3, P-B4, 4 P-KN3... P-Q4: 5 PxP, PxP: 6 P-Q4, N-B3...

White mates in two moves... against any defence (by J. H... Billington).

BRIDGE

E. P. C. COTTER

DAY BRIDGE, as you... expect, involves much... strategy than fiction. At...

diamonds, and raised my rebid... of three spades to four spades...

North-South were vulnerable... when my partner, sitting North...

Repeating a lead from either... red suit, West started off with...

Were making an exhibition of our antique maps

From July 2nd, our shop in Southampton Street... will be a gallery of antique maps...

Stanley Gibbons Mappers Ltd. 37 Southampton Street, Strand, London WC2E 7HE. Tel: 01-836 8441

ROY MILES

THE VICTORIAN RENAISSANCE SUMMER EXHIBITION OF VICTORIAN PAINTINGS

GALLERY HOURS MONDAY TO FRIDAY 10 A.M. TO 5 P.M.

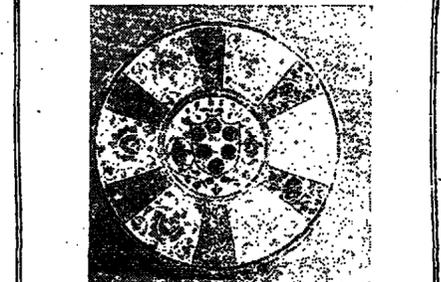
6 DUKE STREET, ST. JAMES'S SW1 PHONE: 01-930 1900



Viewing by appointment at Delta Engraving Limited. 49, High Street, Thornbury, Bristol. Telephone: (0454) 414502/412864.



Experience & Expertise



Caffaggiolo blue and white armorial (tondo), circa 1510. 22.5 cm diam. Sale, Monday, July 2 at 11 a.m.

The late 15th and early 16th Century in Italy saw a remarkable flowering of the potter's art in Florence, Faenza, Urbino, Deruta and other centres...

Christie's Fine Art Auctioneers since 1766. 8 King Street, St. James's, London W1W 6OT. Tel: (01) 839 9060 Telex: 916429 Jelegrams Christie London SW1

ART GALLERIES

NEW PAINTINGS June 7th-July 4th. 10-5.30 Sat. 10-12.30 Sun. GALLERY 18, 181-183, Strand, W.C.2. Tel: 01-836 8441

FINE STAMPS

AN ALTERNATIVE INVESTMENT For fully descriptive brochure write to: U.H. FINE STAMP INVESTMENT SERVICE (FT) 9 Christmas Steps Bristol BS1 5BS Telephone: 0272 20442

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telegrams: Finantime, London F54. Tel: 866341/2, 863897
Telephone: 01-248 3080

Saturday June 30 1979

Sterling and catch 79

THE FOLLOWING appears to be a proposition in the economics of Colney Hatch. Sterling is strong because the UK money supply is controlled, whereas some leading competitors, such as Germany and Switzerland, have resumed the game of printing money to support the dollar.

There is little sign of relapse yet. It is this spectacle of an economy which seems to be disregarding the monetary warning signs—and a high exchange rate, which implied cheap imports, is one of those signs—which has been worrying the gilts market in particular.

Important elements
There are in fact important elements in both these propositions: they look mad simply because they are over-simplified. The obstinate strength of sterling, which rose to a new post-1975 record yesterday, the persistence of very high loan demand, and the weakness of the current account are three elements in a situation which is puzzling both to the markets and to the Government.

Against this background, the OPEC price increase has mixed implications for Britain. It increases the relative attractions of sterling and the likelihood of a downturn, but it also increases prospective cost pressures.

Warning signs
For the time being, at least, the economy seems to be taking no notice of official policy. The spending spree provoked by a combination of high wages and the desire to buy before VAT was raised in accordance with Government policy created a mini-boom. This is reflected both in credit demand and in the sharp fall in unemployment.

These hopes were short-lived. Even before the Iranian revolution and the subsequent leap-frogging rises in oil prices, inflationary pressures were building up in the main industrialised countries and threatening further recovery.

THE PROSPECTS AFTER THE LATEST OIL PRICE RISE

Growing gloom over threat to world prosperity

THE POSSIBILITY that the world now faces a combination of recession and accelerating inflation over the next year was turned into a virtual certainty by the decisions of this week's meeting of oil-producing states in Geneva. This remains essentially unaffected by the much-heralded summit of the leaders of the seven major industrialised countries in Tokyo.

The latest—and very public—round in the energy crisis has inevitably raised the question whether the world is heading for a repeat of the recession, the most serious since the 1930s, of four years ago, which followed the oil price increases of 1973-74. The current position is in many respects very different, but still serious over the long-term.

Last year's hopes

The current universal gloom is in marked contrast to the qualified optimism of last autumn. There were then hopes that the industrialised world was at last on course for sustainable and non-inflationary expansion after three years of faltering recovery. This balance was expected to be achieved through the combination of slower U.S. expansion and more rapid growth in Europe and elsewhere.

percentage terms so far much smaller than the quadrupling which occurred then. But that was purely a result of a monopoly squeeze on prices. Indeed the later weakening of demand during the recession of the mid-1970s resulted in a fall in real oil prices, that is compared to industrial countries' export prices.

The impact on the growth of total output is less certain and depends both on how the oil-consuming countries respond and on the level of the oil-producing countries' imports.

As a broad rule of thumb the rise in oil prices may reduce the growth of total output in the industrialised world next year by about one percentage point to possibly less than 2 per cent. This compares with an average rate of expansion of nearly 4 per cent a year in the last decade.

The calculations are inevitably tentative because so much depends on how governments and individual consumers react. But at best there is likely to be what is known in the jargon as a "growth recession" when any increase in output is unlikely to be enough to prevent a rise in unemployment.

Currency crisis

The position now is different, and more worrying. This is because oil supply is effectively limited—rather than flexible as in 1973-74—and thus price is determined by demand. The prospect of a continuing tight supply position—according to most pundits' projections—may mean that the real oil price could rise further.

This would mean that the actual oil price would increase more sharply than the general world price level. And this would effectively result in a shift of resources to the oil-producing states. This explains why the seven leaders meeting in Tokyo were so concerned about limiting the demand for energy and why they were so keen to reach an agreement on limiting oil imports—even on the basis of the apparently confused two-tier plan that finally emerged.

But higher prices rather than exhortation are likely to be the most effective constraint on demand. The outlook will also be affected by the big financial transfer produced by the rise in prices. This is likely to increase the investible surplus of the oil-producing countries—what is left over after imports—from about \$11bn in 1978 to at least \$45bn this year. This will have an obvious impact on the capital markets and the intriguing question is how much of this surplus will go into New York (rather than Frankfurt or London) after the dollar's problems of the last couple of years.

Moreover, existing concern about inflationary pressures has resulted in a tightening of the fiscal and monetary stance of both the U.S. and several European countries in the last few months, as shown by rising interest rates. This could mean that the downturn in economic activity could be relatively larger than in the mid-1970s.

Similarly, the longer-term inflationary impact might be less than before because governments are now much more conscious of the need to take action before pressures build up too strongly. This attitude is likely to be reflected in tight monetary policies but also in specific conservation measures, such as higher taxation on energy supplies and speed limits and other consumption limits.

Extensive indebtedness of these countries has grown rapidly in the past few years—altogether will make it harder for them to borrow more to finance increased oil payments.

The overall result is the world output is now oil-constrained, or perhaps more accurately, price-constrained. Until inflation and the demand for energy are brought under control, there is little hope of any significant growth. Apart from the short-term energy conservation measures this is likely to intensify the longer-term search for alternative sources of energy, notably nuclear power.

Indeed the industrialised West is now paying the price for the slowdown in the development of nuclear energy since the early 1970s. The belated drive to build nuclear power stations now could involve very large expenditures in the next decade and a squeeze on present living standards. The real lesson of 1973-74 is that high oil prices have to be paid for sooner or later by consumer and that applies as much to an oil producer like the UK as to other industrialised countries.

THE GENEVA MEETING

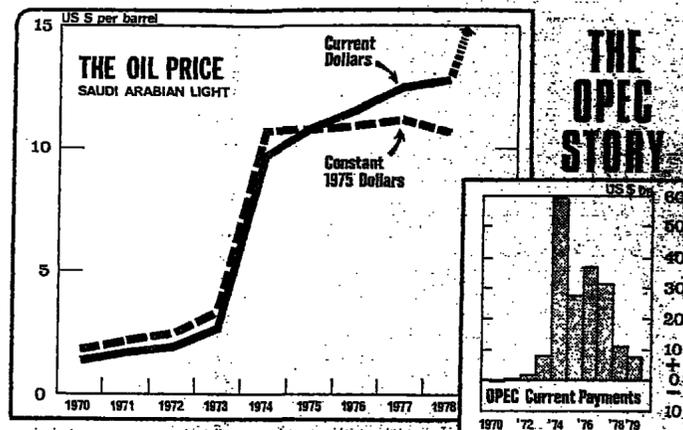
Shaky deal despite Saudi compromise

WHEN THE implications of the Iranian revolution for the international oil market had become clear in January, Sheikh Ahmed Zaki Yamani said that Saudi Arabia's power to control prices by itself had been significantly reduced. So it proved at the Organisation of Petroleum Exporting Countries' Ministerial conference in March, and once again at this week's meeting in Geneva.

Twice Saudi Arabia has exercised a measure of restraint by setting a lower base price for its own oil than other members of OPEC, albeit at levels higher than it wanted. Yet the \$18 net west for a barrel of Arabian Light is no less than 46 per cent above the level of last year and 26 per cent above the level originally proposed for the third quarter at the OPEC conference in Abu Dhabi last year.

When as a result of the Iranian revolution the market conditions changed, he was hardly in a position to alter the argument. Though, at Geneva, Saudi Arabia compromised at a base price, for itself, of \$18 rather than \$17 in return for a top price imposed by others of \$23.50, the damage could be worse.

The compromise—as it stands—will have to be regarded as having achieved roughly what was possible for consumers. No one in OPEC pretends that it is in any way perfect. However, the general view seems summed up by Sheikh Ali Khalifa al Sabah, Kuwaiti Minister of Oil. After the meeting he said: "Some order at least has been restored to the market. We have agreed on a two-tier price system on the one hand, and prevented further escalation from taking place, on the other hand."



me from having a good look at the king in question. Sorry, Nicholas Kenyon, London, W9.

Unit gains
From Mr. Keith Tunstall. Sir,—Last week the unit trust industry announced another poor set of monthly figures. One possible cause of the decline over the last few years in the number of unit trust investors is the unfavourable capital gains tax treatment. Unit trusts are particularly suitable for the small investor, enabling him to achieve a spread of investments with a modest outlay. It is unlikely that his gains will reach the annual £1,000 exemption, yet paradoxically any gain he does make will already have borne CGT paid by the trust.

rotated abruptly, not to reside in Mallorca but to move back to the UK where he can go home on a bicycle. There again one cannot be too sure because recently my folding bicycle folded whilst I was on it causing some embarrassment to my private person. David Hearsey, The Lodge, Long Riston, East Yorkshire

Letters to the Editor

Tourists and VAT

From Mr. A. H. Scott

Sir,—I read Mr. Ingham's letter (June 28) about the poor tourists and VAT. Readers and your staff who travel abroad to countries where these tourists come from will know that for years we have had the rough edge of the stick in these matters paying their high indirect imposts, while they themselves have not paid so much income tax. They, in turn, have been laughing when they come here.

abroad in most other countries they are faced with a much higher rate of VAT than that applied in this country and obviously visitors from those countries coming to Britain will not be surprised at our rate of VAT now being 15 per cent. I feel that the "pay as you spend" policy which has now been adopted by the Government, goes a long way to even out anomalies in spending power that used to exist between British residents and foreigners visiting the UK. W. K. Kleinlooh, Antwerp, Camp Road, Gerrards Cross, Bucks.

Unit gains

From Mr. Keith Tunstall.

Sir,—Last week the unit trust industry announced another poor set of monthly figures. One possible cause of the decline over the last few years in the number of unit trust investors is the unfavourable capital gains tax treatment. Unit trusts are particularly suitable for the small investor, enabling him to achieve a spread of investments with a modest outlay. It is unlikely that his gains will reach the annual £1,000 exemption, yet paradoxically any gain he does make will already have borne CGT paid by the trust.

budget to make special provision to maintain the rate of tax relief on life assurance premiums. Some analysts even went so far as to suggest that a switch from direct to indirect taxes would provide a further (supposedly beneficial) incentive to save and thus to invest. "For many years we adopted the happy belief that spending led the way to prosperity. Now it seems it is investments' turn. Not only is there little evidence to show that the extensive investment incentives have made us prosperous but I believe that examination of the figures here and in Italy (the other major developed country which pursues similar policies) may well show that this form of government interference is actually harmful. Perhaps the "Lump of Labour" fallacy may have a more credible variant namely that investment inspired by Government, beyond that level determined by the market, leads to higher net unemployment. J. W. H. Brazier, 123, Alderney Street, SW1.

Fuel economy
From Mr. J. D. Sutherland. Sir,—After the motor-car industry had had a clear warning in 1974 that cheap fuel was a thing of the past, in some countries they concentrated not only on improving fuel economy, but on making smaller cars. It is, therefore, little short of pathetic that all the British car makers can now offer is to reduce petrol consumption by 10 per cent by 1985. Do they not realise that by 1985 the number on our roads will have fallen dramatically, and that long before even this year is out motorists will be switching fast to smaller, more economical cars. British Leyland still seems to think that there is a future for big cars, instead of trying to make Minis profitable. One cannot help wondering if they deserve to survive. J. D. Sutherland, 41, Westville Way, Kirkella, Hull, North Humberside.

Pay as you spend

From Mr. W. Kleinlooh

Sir,—I have read with interest Mr. Harold Ingham's comments on the effects the increased rates of VAT are having on the tourist visiting Britain from abroad and although I can sympathise with those tourists who have already paid for their package holiday in full and are now faced with an immediate increase in their holiday costs, I certainly cannot agree with the remark that the increased VAT rate is intended to apply purely to citizens of this country. On the contrary, I fail to see why foreign tourists should be subsidised when visiting this country by the British taxpayer because our tax system used to favour direct over indirect taxation. When British tourists travel

Wintonia

From Mr. Nicholas Kenyon.

Sir,—I can only apologise to the distraught Wintonians (June 14). Without the benefits of a public school education, I am at a loss to distinguish with any precision between a city and a town, or a school and a college, let alone between men and boys. However, I really ought to know the difference between Arthur and Alfred: I can only blame that on Winchester's insane traffic system, which prevented

Labour's lump

From Mr. J. W. H. Brazier

Sir,—May I refer back to an excellent article of some six months ago by Mr. Brittan "The Lump of Labour Fallacy," in which he exploded the centuries old theory that investment in labour saving equipment leads to unemployment? The recent budget shows that it is in fact a very different fallacy which dominates the attitude of both major political parties to the subject of investment. The conventional view seems to be that since prosperous countries have high levels of investment, government incentives to invest will somehow make us prosperous.

Rotations

From Mr. David W. Hearsey

Sir,—The letter from the retired airline pilot, Mr. Parker (June 27) is rather mind boggling by the suggestion that a ham-fisted pilot could cause gyroscopic force to twist off an engine pylon. I presume he means the couple between that force and G at 90 degrees. One would think the designers would have thought of that, but perhaps not. I remember my father in World War II talking about, I think, the rotary engine which if you weren't careful would rotate the aeroplane leaving the propeller standing still. Also, later myself as a part-time amateur pilot in World War II had experience of an early Halifax designers of which had designed aesthetically shaped tail fins which proved to be too small aerodynamically: one must say though, they did tend to stay on. All things being considered one would recommend Mr. Parker, if he doesn't like being

Water waste

From Mr. R. E. Crawford.

Sir,—The Reading Ratepayers Association's call, per Mr. Hampshire's letter (June 26), for Government action on the water authorities is more than timely. My account from Thames Water for the first half of this year was at the rate of over £3 per 1,000 gallons, an increase of 11.6 per cent over the previous half year, and of no less than 95.5 per cent over the same period in 1977.

In the great drought a few years ago, fresh water from Ireland delivered by tankship was ordered at £1 per 1,000; it is quite outrageous that local distribution of freely available water should cost more than a fraction of this amount, and that conservation by consumers should put up the unit cost, while waste and extravagance lowers it. Mr. Hampshire particularly mentions legality. In the past three or four years I have read of Thames Water officials in court, not for supplying themselves with Rover and Jaguar cars from the rates, but only for charging their private motoring in these expensive vehicles to the public: other officials were in court for paying themselves London living allowances while residing in Reading; mass jets to the furthest and most expensive capitals of the world have taken place without regard for public benefit, and large real estate deals take place behind a blanket of non-information: how extensive are these practices, and what, for instance, happened to the potential multi-million pound surplus from the development of the Metropolitan Water Board of its vast and valuable Campden Hill property?

Thames Water has some cosmically impressive structures to its credit, but at what cost, and to whose profit? A rigorous public audit of corporate and individual finances would provide the answer, and some much needed discipline. R. E. Crawford, 70, Abingdon Villas, W8.

Indexed VAT

From Mr. A. F. Donovan

Sir,—Since the increase in VAT is to have a marked effect on the cost of living index, thereby leading to increased demands in the next round of wage negotiations, would it not be logical to incorporate in the index a figure to reflect the average income-tax paid by consumers? In theory, if the amounts are properly weighted, a straight switch from income-tax to VAT should leave the cost of living index unaltered. A. F. Donovan, 21, Stanhope Road, Croydon, Surrey

Trust Schroder Wagg advertisement. Large stylized logo for 'Trust Schroder Wagg'. Text includes: 'I Henry Schroder Wagg & Co. Ltd. is one of Britain's largest and most respected Merchant Banks... SCHRODER GENERAL FUND... SCHRODER CAPITAL FUND... SCHRODER EUROPE FUND... Member of the Unit Trust Association. Not applicable to ERM.

Handwritten signature or mark at the bottom center of the page.

Job creation and UK small firms

BY JOHN ELLIOTT, Industrial Editor

TIME when fears are about unemployment to new record levels in the U.S. has dropped on the U.S. Ministers and civil servants in Whitehall, reinforcing their belief that the best way to create employment is to encourage the creation of new firms. The report, which examines the impact of small and regional policies, has been prepared by the Massachusetts Institute of Technology based on a study of 5.6m small firms in different parts of the U.S. It suggests that there is a "life cycle" of firms being created and then disappearing. Sir Keith Joseph, the Secretary, that it is to encourage the entrepreneur and innovator to start businesses that will bolster up old and new industries.

Job generating firms are small. It tends to be a small (or unstable) firm that banks its own success on its own. In short, the most jobs are created at the most difficult through conventional initiatives," says the

Observations

Words have met with recognition in Whitehall where because of frustration among policy makers to make contact with those needing help and to them with financial assistance in their early stages. Ministers have already after being in office for a few weeks, that the subsequent tax packages are sufficient to reinvest in firms which at pre-

sent employ a quarter of Britain's workforce. The new Conservative Industry Ministers have told their civil servants to re-examine all possible small firms' policies and they have seized on the MIT report as valuable evidence to support their claims for special help from the Treasury when the competing spending plans of different departments come to be assessed.

The MIT report, whose findings match those of earlier inquiries in the UK about employment and small firms, starts from a concern that an inability to understand the gap between micro and macro events seriously hampers efforts to develop economic policies that will generate jobs for the people and places that need them without causing inflation. Because little is known about where and by whom jobs are generated, the report says that governments have usually tried to stimulate whole economies with such "shot-gun-like policies as tax incentives and easy access to money and public works programmes. It points out that this can be a "very expensive and inflationary strategy if, in fact, most recipients do not use the incentives to increase employment."

The MIT researchers have tried to bridge the micro-macro gap by studying the ways jobs were generated in the 1960s and early to mid-1970s by 5.6m business establishments covering 82 per cent of private sector employment in the U.S.

One of the report's conclusions is that "it makes little sense to attempt to influence firms to move (in the physical sense), nor is there much opportunity short of influencing the business cycle to influence the rate at which firms contract and go out of business. Practically all the leverage lies in affecting where firms locate, and where existing firms choose to expand. It thus becomes quite important to

know what kinds of firms generate jobs." This led to statistical studies which showed that very small firms—employing 20 or fewer people—generated a remarkably high 66 per cent of all the new jobs in the U.S. between 1960 and 1976.

Middle-sized and large companies generated relatively few jobs. Those employing 21 to 50 people provided 11.2 per cent of the total, those with 51 to 100 provided 4.3 per cent, and those with 101 to 500 employees 5.2 per cent.

Failure rate

"It appears that it is the smaller corporations, despite their higher failure rate, that are aggressively seeking out most new opportunities, while the large ones are primarily distributing their operations. This very strong basic finding raises questions about a life cycle phenomenon. Could it be that most firms start small, that some grow, and that once a corporation has stabilised at some level, it becomes mature and contributes very little to job generation?"

The researchers looked at the age as well as the size of companies generating jobs and found that both factors are important. The statistics showed that about 80 per cent of all jobs were created in companies up to five years old, a figure which dropped dramatically to about 9 per cent for five to eight-year-old companies and to 5 or 6 per cent for those nine or more years old. These figures applied to all areas of the country and all sectors of the economy. Backing up these conclusions, the researchers also found that the odds of a business dying in its early years are high and that businesses with 20 or fewer employees are more likely to die than to contract when they run into trouble. "Of those who

survive, small firms are four times more likely to expand than contract, and larger firms are 50 per cent more likely to shrink than to grow."

The main survey period of 1969-76 was then divided into three two-year phases and the progress of firms was studied to see how the history of a business in the first two periods affected its performance in the third. This showed that two or three times as many jobs were created in businesses emerging from a period of decline than by those which had recently been extremely successful or were generally regarded as "stable." Although this is hardly a surprising conclusion, it supports the general tenor of the report's conclusions.

"It is no wonder that efforts to stem the tide of job decline have been so frustrating—and largely unsuccessful," says the report. "The firms that such efforts must reach are the most difficult to identify and the most difficult to work with. They are small. They tend to be independent. They are volatile. The very spirit that gives them their vitality and job generating power is the same spirit that makes them unromantic partners for the development administrator."

"The easier strategy of working with larger 'known' corporations whose behaviour is better understood will not be, and has not been, very productive. Few of the net jobs generated in our economy are generated by this group. Furthermore, the larger corporations, using their financial strength, are the first to redistribute their operations out of declining areas into growing ones. They do not hesitate to locate branches in greener pastures, placing an even greater burden on the small firms in struggling areas."

rather than trying to influence the rate of job loss. "Do not count on, or address major resources towards, larger corporations, whose powers of net generation are small and whose tendencies to shift location quickly are well demonstrated," says the report.

It also points out that a massive new bureaucracy would be needed to monitor all small businesses and recommends that it is better to rely on existing institutions.

These conclusions are very much in line with the thinking of Ministers in London. A Small Business Administration (as exists in the U.S.) is unlikely to be set up despite tentative support for the idea earlier this year in the Wilson Committee on Financial Institutions' small firms report. Some of the Industry Department's selective aid schemes may also be re-orientated towards small and medium sized businesses. Ministers are more interested in boosting the regions by encouraging entrepreneurs and innovators than by spending vast sums of aid on attracting inward investment projects from multinational companies (although the need for such investment is also recognised).

Amendments

Many of the Government's plans have yet to be finalised but it has already been announced by Ministers that small firms are to be helped by amendments to employment and company laws. The Department of the Environment has also been asked to devise ways of easing planning approvals for one or two rooms in a house or other non-industrial building to be used by the founder of a small business.

A wide-ranging study is being conducted of small firms' financing problems. Talks are to be held by Ministers and their

advisers with the clearing banks about the provision of loans, maybe but not necessarily through the sort of loan guarantee scheme that the last Government was pushing (although there appears to be no question of any government finance being provided to fund such a project).

Sir Keith Joseph and his small firms' Minister, Mr. David Mitchell, believe that the primary problem is the provision of equity rather than loans. But they are coming to the conclusion that since the equity problem may be so difficult to solve, the question of loans must be tackled as well. One of the difficulties is that clearing bank branches are not equipped to assess the risk of unproven business ventures—a job, however, that is done effectively by two State-backed organisations—the Council for Small Industries in Rural Areas (COSIRA) and the Agricultural Credit Corporation. One idea now being studied is whether the industry Department's regional small firms counselling service could ease the provision of loans by performing a vetting role, maybe together with COSIRA, for the clearing banks and for other organisations like the Industrial and Commercial Finance Corporation.

The main equity problem is that small businessmen have to have to hand over a share of the ownership or management of their businesses to financial backers. The industry Department is therefore looking at the concept of a small businessman being able to buy out his financial backer after a period of time, and at ways of limiting the powers of interference by providers of finance. A new State-backed scheme being introduced by the West German Federal Government for small firms' venture capital is also being looked at, and an idea being discussed in Whitehall

PERCENTAGE OF TOTAL JOBS GENERATED IN U.S.						
(by size and status for regions, 1969-1976)						
Number of employees						
Owners	0-20	21-50	51-100	101-500	500+	Total
North East						
Indep.	129.1	-11.2	-22.3	-21.1	24.3	98.8
HQ/Br.	36.4	10.3	1.3	6.6	-32.8	8.8
Par/Sub.	11.6	7.2	3.6	5.5	-24.4	7.6
Totals	177.1	6.5	-17.4	-33.3	-32.9	100.0
North Central						
Indep.	52.8	4.5	0.3	-2.8	2.9	57.7
HQ/Br.	12.4	5.8	3.8	4.9	13.1	39.9
Par/Sub.	2.0	1.7	1.2	1.0	3.5	2.4
Totals	67.2	12.0	5.3	3.1	12.4	100.0
South						
Indep.	42.7	5.7	1.5	0.0	0.4	50.1
HQ/Br.	9.3	4.0	2.9	7.4	16.7	40.3
Par/Sub.	1.5	1.5	1.1	2.0	3.3	9.6
Totals	53.5	11.2	5.5	9.4	20.4	100.0
West						
Indep.	47.8	5.9	2.2	1.9	2.9	60.8
HQ/Br.	10.0	4.3	3.0	6.2	8.6	32.0
Par/Sub.	1.7	1.4	1.1	1.8	1.8	7.2
Totals	59.5	11.6	6.3	9.3	13.3	100.0
U.S.						
Indep.	51.3	4.4	0.0	-1.5	3.1	57.3
HQ/Br.	11.9	4.9	3.1	5.6	10.6	36.1
Par/Sub.	2.3	1.9	1.3	1.7	0.5	6.1
Totals	66.0	11.2	4.4	5.2	13.2	100.0

Total jobs generated in each region are: North East (410,990), North Central (1,674,282), South (2,873,619), and West (1,800,112).

* Independents
† Headquarters/branches
‡ Parents/subsidiaries

Weekend relief

to a day

BRITISH hoteliers tell home-keepers about petrol starvation, the some comfort from fuel-splattered, well-pressed on from the Walt Disney town which has just left. Earlier this week the rigade threw a discreet the Savoy for institution of other likely investors key stock. California, home territory was he first places to suffer lack of short supplies and lines. It was enough to smile from the most of Mickey Mouse's tendancies at Disneyland first few weeks of May fell.

Mickey bounced back, w Disney is running of 1978 figures. The is, can England's West and the Scottish do not mention the elds of Ireland, hope to the Californian come-

problem for the British is that the fuel troubles t at the wrong time. four weeks after the dian gas drought the UK shortage coincided with the start of the season. It also coincided ne of the worst mid-year we have had for a very le. The combination has it the impulse market. areas of the business ok to longer term book- tably holiday camps. tily seen a dent in their tilities is bursting at ns. The bed and break- tde, however, is now to its supposedly peak of many a landlady is

country tourist Board . Peter Chester, talks "exaggerated rumours" has been that "the position did vary from place, here as elsewhere and, at no time was any of this region cut- Chester might be right his own comment, but f the nation have often cross areas bereft of d fuel supplies. A position holds in the ds, where there is fuel found by the discover r. The problem in the ds, has been getting

has quite often hap- ed by the oil coun- on the basis of what was at year. But the summer 8 was a good one for traffic in many places is a small cut in supplies ayves plenty of fuel in suffering from reduced as a result of bad and panicked motorists placed the impact on tible trade has been on. Says Dr. David n, head of the Midlands stands Tourist Board's s division. "Chancers suffering badly in some and in this aspect of the situation that we must tate our action." He s that "anything which e resource demand could rious effects on the via-

Resort areas with lots of fuel and precious few visitors... Mexico City grows and grows... The MP who plans to pilot his own airship.



Keith Wickenden: feet on the ground.

relieve the exhaust fume polluted atmosphere. The idea is to plant a "green belt" of 100m trees around the city. Another 30m trees will line the new boulevards.

As for the 83 miles of boulevards, they were finished at a cost of \$367m only by employing thousands of workmen to drill through the night. However, the automatic traffic lights are not yet working and if Jacques Tati should ever think of making a sequel to his film Traffic he should rush to Mexico City before the lights start working.

Mexico edges towards the super-city

How do you cope with a capital the size of Mexico City? It lies 7,500 ft above sea level, has, at the latest count, around 14m inhabitants crammed into it, which is one fifth of the country's total population, and 2m cars use its streets. Add to this the fact that an estimated 1,000 people a day arrive in the metropolitan area from the impoverished countryside, and the local birth rate also provides an annual population increase of 3 per cent and it is no exaggeration to say that it will be the world's largest city by the end of the century. It will then have a population of 30m.

Since Hernan Cortes conquered Mexico in 1521, when the capital was set in a lovely vale and the word pollution had not been invented, Mexico City has become a byword for smog, traffic jams and all manner of urban neuroses. Amazingly, the suicide rate is not high, but that speaks for the high tolerance of Mexicans.

The capital's Regente, a man with cabinet rank and infinitely more work and power than European mayors, has at last started to tackle the bewildering problems of his city. One step is the completion, on time, of 15 cross-city, six-lane boulevards this week and the starting of a reforestation programme.

It is hoped that the new roads will mean that people won't have to spend all day getting across the city and, more importantly, can see it at week-ends. The planting of 15m trees between now and December will

relieve the exhaust fume polluted atmosphere. The idea is to plant a "green belt" of 100m trees around the city. Another 30m trees will line the new boulevards.

As for the 83 miles of boulevards, they were finished at a cost of \$367m only by employing thousands of workmen to drill through the night. However, the automatic traffic lights are not yet working and if Jacques Tati should ever think of making a sequel to his film Traffic he should rush to Mexico City before the lights start working.

There are still another 19 Ejcs Vitales as they are called to be built covering a further 239 miles around the city. Their construction has got every body's back up and made Mayor Gonzalez unpopular. But if they solve the problem a statue will surely be erected in his memory.

Wickenden's SCI-FI Flight plans

Keith Wickenden is hoping to make the Guinness Book of Records. Not in his current role as chairman of European Ferries, even though that company did return a record profit earlier this month. Nor as the most-wood shareholder in the much-publicised Furness Withy embroglio earlier this week.

Rather, suggests Wickenden, as the first pilot of the first sky-ship to cross the Channel: an historic happening he predicts will take place early in the eighties.

Euroferries has a conditional option on the first six set-8 sky-ships— they will look like a cross between a 1931 airship and a 2001 flying saucer—to come off the embryo Isle of Wight production line. The condition, jokes Wickenden, is that he pilots the maiden voyage.

"I think it will be a very historic occasion. When I first heard about skyships back in 1974 I was very sceptical but now I am convinced that, unless some major technical snag which we haven't accounted for arises we will be flying them across the channel in the eighties. The Germans were

flying them in the Atlantic well before the war, only theirs kept bursting into flame. We have, of course, eliminated that problem."

Wickenden doesn't foresee any difficulties other in getting a licence to fly his skyship. He already has a private pilot's rating for a single-engine airplane, and is about to move up to twin-engine status as well as getting an instrument rating.

A director of Brighton and Hove Albion Football Club, much of his winter flying is to the team's away games.

"I used not to be that interested in football. Then about 12 years ago my eldest boy—4 have four aged between 7 and 20—became very keen, and I started to take him along to the local club on Saturday afternoons. I used to be rather disdainful about it all, pretend I wasn't interested. Then one very cold day I was standing on the terraces wearing a woolly ski cap pulled right down over my ears when we scored the winning goal in the last minute. I suddenly realised I'd got so excited that I'd thrown my ski cap into the crowd. After that I stopped pretending I wasn't interested."

Six years ago Wickenden became a director of the club, and his interest has become a passion.

Out of the soccer season Wickenden becomes a week-end farmer.

"We have 70 acres and we run about 300 sheep. Yes, I do take part in the physical side of sheepkeeping, the dogging and the docking. I'm usually the one who holds the sheep when they're being dogged. But my wife is the real farmer in the family."

Two or three times each summer Wickenden turns out for the village cricket team. "I keep wicket, which is not necessarily the same as being a wicketkeeper. If there's one thing in my life I would like to have been good at, it's cricket. Now I'm an MP (he won Dorking for the Conservatives this year) I'll probably turn out for the Commons side. I don't think you have to be very good."

Contributors:
Arthur Sandles
Robyn Wilson
William Chislett.

Economic Diary

TODAY—Mrs. Margaret Thatcher in Australia for two days. European Community representatives, led by French Energy Minister, in London for talks with strategy group Organisation of Petroleum Countries, headed by Sheikh Yamani.

SUNDAY—British Steel Corporation price increases.

MONDAY—National Union of Mineworkers conference opens. Hotel de France, St. Heller, Jersey (until July 6). President

of Colombia, Sr. Julio Araya, at City of London banquet, Mansion House. Confederation of British Industry Monthly Trends (June). Hire purchase and other instalment credit business (May). Retail sales (May—final). Mr. Peter Walker, Minister of Agriculture, visits Royal Show, National Agriculture Centre, Stoneleigh. Ministry of Education and Industrial Society conference on industry and teacher education. 3. Carlton House Terrace, London. Construction Industry Training Board meeting

to discuss public spending cuts. TUESDAY—House of Commons begins three-day Finance Bill committee stage debate. UK official reserves (June). Capital issues and redemptions (June). WEDNESDAY—National Economic Development Council monthly meeting under the chairmanship of Sir Geoffrey Howe, Chancellor of the Exchequer. House of Lords debates fuel. THURSDAY—European Commission meets representatives of

member governments of shipping conferences following the Commission's attack on cartel activities. Brussels. Lord Beswick, chairman of British Aerospace, at Scientific Instrument Manufacturers' Association luncheon, Cafe Royal, London. Statement by Law Commission on plans to end legal discrimination against illegitimacy. Housing starts and completions (May). FRIDAY—Gross domestic product; personal income, expenditure and savings (first quarter).



The Palomino grape. The very beginning of a classic sherry

No wine can call itself a sherry unless it starts life on the gently sloping hills around Jerez de la Frontera in Spain.

Here, throughout the long hot summers, the white Palomino grapes slowly ripen. Come September, they are gathered by hand and taken in for pressing.

The juice—called mosto—is allowed to ferment naturally in vinerias at the vineyards.

Some of these mostos will develop flor—a yeast on the surface of the young wine.

Why this should happen to some wines and not others



remains a mystery. But it is the presence of flor that determines which wines will develop the characteristics of finos and amontillados.

The classic fino is pale in colour and dry to taste with a delicate bouquet. Luncheon Dry is just such a fino. Serve it chilled to appreciate fully its true character.

The classic amontillado is allowed to mature for longer in the cask, taking on a richer colour and a subtle nutty flavour.

Such is the character of Club Amontillado.

Luncheon Dry & Club Amontillado. Two classic styles of sherry from Harveys of Bristol.

BIDS AND DEALS

Wolseley-Hughes puts up £23m for John James

BY JOHN MOORE

Wolseley-Hughes, the largest distributor of central heating equipment in the U.K., has emerged as the bidder for John James, the industrial holding group with investment interests.

W-H revealed with its announcement that its group taxable profits for the year ending July 31, 1979, are expected to be approximately £11m, compared with £9.1m.

White W-H is acquiring the industrial interests of the group, a major shareholder in James, is the Dawn James Charitable Foundation—is to acquire all the portfolio investments and the capital of Dawn Estates, a subsidiary of the James Group.

Consideration is £23.5m cash, which represents the market value of the investments and the value of Dawn Estates at June 28, 1979.

In addition, certain intra-group debts owing to Dawn Estates,

amounting to £1.48m will be settled. An indemnity has been given by James Group's chairman, Mr. John James in favour of the James Group against any tax liabilities which might arise from the sale.

The directors of the James Group have estimated that the unaudited consolidated pre-tax profits of James for the year ended March 31, 1979, were approximately £4.2m—£3.7m coming from industrial activities and £0.5m of investment income.

When the offer goes unconditional Mr. John James is to be chairman. But certain senior executives of James will be offered three-year service contracts within the James Group.

The W-H offer for James is a share and cash package which gives one ordinary share in W-H and 60p in cash for every 11 ordinary shares in James.

J. Henry Schroder Wagg, the merchant bank advising Wolseley, has agreed to purchase for 240p cash each of those

shares in Wolseley which accepting shareholders do not wish to retain. This Schroder offer together with the cash element of 60p, represents a value of 81.5p per ordinary James share.

W-H says that R. S. Pipelin Supplies, James' principal merchandising subsidiary, is a major supplier of industrial heating and process equipment in the UK and currently has 1 established branches. This is complemented by the W. main subsidiary, Wolseley-Hughes Merchants, the largest distributor of domestic central heating equipment in the UK operating from 80 branches.

It is planning to develop James' other manufacturing subsidiaries. W-H is intending to reconvene a final dividend in November of 6.7642p ordinary share (£0.6831p with ACT taken at 3 per cent) in respect of the year ending July 31, 1978, payable 1 January.

With the interim of 3.660p (£0.2239p with ACT taken at 30 per cent) this will take a total of 10.4245p (14.8821p gross) and represents an increase of 33p per cent over the previous year.

John Brown meets profit forecast, and is optimistic

Taxable profits of John Brown and Co., the gas turbine and engineering group, jumped from £23.2m to a record £28.37m in the year to March 31, 1979, on turnover of £106m ahead at £389.8m.

The total dividend is being hoisted from 8.54p to 17.388p, with a final payment of 10.2388p. Stated earnings per £1 stock unit rose from 94.9p to 110.1p.

In addition the group is subdividing the £1 stock units into four 25p shares and is making a one-for-five scrip issue.

Mr. John Mayhew-Sanders, chairman, says the cash position is strong after a net increase in working capital of some £18m and capital spending of about £10m. In November last year the group made a three for 10 rights issue to raise £16.03m.

Mr. Mayhew-Sanders adds that the process engineering and construction and gas turbine operations did very well. The gas turbine and specialist iron side lifted taxable profits from 27.47m to £10.15m on turnover ahead from £71.7m to £90.17m.

The purchase of Crawford and Russell for about £11.7m, has just been completed and is circular giving details of the deal is sent with the preliminary statement.

The American company's net assets are worth \$9.7m (£4.5m). It incurred a loss before tax in the year to March this year. This "temporary depression" is a result of the

sometimes cyclical nature of the international contracting business and Mr. Mayhew-Sanders says that in making the purchase "we were very happy to accept that little or no contribution to profit would come from it, after taking into account finance charges, in the first year or two."

He says that last year John Brown Engineering achieved record turnover and profits: shipped 29 gas turbines compared with 48 the previous year, but the equivalent megawatts of power this represented was up 10 per cent.

The international gas turbine market is going to be difficult throughout this year and beyond, but appropriate action is being taken to deal with the situation. Machine tools made a poor profit overall, but provided cover for the loss of the operation of all employees in the plant.

The balance sheet shows current assets ahead from £145.65m to £202.85m with bank balances and short-term investments at £36.9m, against £20.4m. Current liabilities rose from £105.18m to £130.8m and bank overdrafts from £5.2m to £7.5m.

Stockholders' funds went ahead from £60.77m to £59.8m and the return before tax on these funds fell from 38.2 per cent to 31.7 per cent.

THE DIRECTORS of Lonrho announce taxable profits of £37.1m for the half year ended March 31, 1979. These are compared with a published figure of £42.1m and a restated £38.8m for the first half of last year.

Pre-tax profit included associates' contribution of £10.4m (£10.4m restated), and £8m (£8.8m restated) over-provision for depreciation no longer required on revaluation of fixed assets. It also includes £0.5m (£3.1m restated) profits on disposal of assets.

The attributable balance was slightly down due largely to the depressed trading conditions in West Africa, the directors say. Pre-tax profit from this source fell by over 60m.

The interim dividend is increased from 2.4p to 2.64p net per 25p share.

THE PROFIT downturn expected by John J. Lees, confectionery maker, in the year ended March 31, 1979, turns out to be from £32.51m to £27.15m. However, the dividend is lifted from 2.1p to 2.3p net, with a 20p of 1.7p.

When warning shareholders that profits were likely to be lower, the directors hoped that the downturn would not be material.

Turnover for the year came to £1.45m (£1.52m). The profit included non-trading income of £1.4m (£1.3m), but was subject to tax of £30.95 (£30.158).

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Current payment, Total last year, Total last year. Includes John Brown, Charter Trust, CGSB, John J. Lees, Lonrho, Robert Moss, J.F. Nash, Redifusion Ltd, St. George Assets.

Lonrho at £37m in first half

Adversely affected by the transport strike and bad weather, Dunford and Elliott, steelmaker, forgedmaker, engineering subsidiary, incurred a first-half loss of £902,000, compared with £121,000 profit.

Pre-tax profit included associates' contribution of £10.4m (£10.4m restated), and £8m (£8.8m restated) over-provision for depreciation no longer required on revaluation of fixed assets.

THE PROFIT downturn expected by John J. Lees, confectionery maker, in the year ended March 31, 1979, turns out to be from £32.51m to £27.15m.

When warning shareholders that profits were likely to be lower, the directors hoped that the downturn would not be material.

Turnover for the year came to £1.45m (£1.52m). The profit included non-trading income of £1.4m (£1.3m), but was subject to tax of £30.95 (£30.158).

John Lees depressed by £55,000

THE PROFIT downturn expected by John J. Lees, confectionery maker, in the year ended March 31, 1979, turns out to be from £32.51m to £27.15m.

When warning shareholders that profits were likely to be lower, the directors hoped that the downturn would not be material.

Turnover for the year came to £1.45m (£1.52m). The profit included non-trading income of £1.4m (£1.3m), but was subject to tax of £30.95 (£30.158).

Trading growth but £17m again for Redifusion Ltd.

DOUBLED INTEREST charges and higher depreciation wiped out a near £5m advance in trading profit by Redifusion, the television rental and broadcasting concern, in the year to March 31, 1979.

Performance was again affected by losses overseas and taxable profit for this subsidiary of British Electric Traction, emerged marginally lower at £17.1m compared with the previous year's record £17.43m.

This represented a £1.1m downturn in the second six months, following the rise from £7.28m to £8.09m in the half-time surplus.

Trading profit for the year was £2.6m (£2.8m) and net income reached £184.91m (£184.28m). Sited earnings per 25p share, after tax of £11.36m (£11.13m), were down 0.7p to 7p.

A net final dividend of 4.375p (17c) the total to 5.75p (£4.791p), covers £4.26m (£3.98m), and retained surplus came out at £1.44m (£2.55m).

Profit included a £2.94m (£2.8m) share of associates, and was struck after £3.02m (£3.07m) depreciation, £2.5m (£1.25m) interest and a £1.9m (£2.11m) provision for network contingencies.

At the trading level, Redifusion's profits are up 10.3 per cent on a sales increase of 20 per cent. The main factor restraining profits growth is the continuing losses in Hong Kong

where the group's Chinese language service still runs second in the ratings and, despite rising audience levels, it is not attracting enough advertising, to become profitable. A new initiative is expected in the near future that may rectify the situation.

Also, the Redifon companies (computer and flight simulation plus telecommunications) improved on 1977-78 but not by as much as management had expected.

In the longer term there are signs that increasing competition in the domestic television set market is starting to have some impact on margins.

Profits from this sector were up in 1978-79 but the rate of advance was slower than in the year before. The shares slipped 5p to 95p yesterday giving an historic p/e of 12.7 and a yield of 8.5 per cent.

AS FORECAST, Robert Moss, the plastic injection moulding group, made further progress in the second half to lift taxable profits from £87,131 to £508,418 in the year to March 31, 1979.

The group is lifting the total dividend from 2.6588p net to 2.716p with a 1.6p final and there is an 11-for-14 scrip issue.

And the board is optimistic about the current year. It is looking for a further profits rise and production is geared for a 25 per cent increase in output.

Turnover for the year rose from £2.25m to £2.73m. Tax took £84,902, against £85,972, and stated earnings per 10p share are up from 5.37p to 7.59p.

The group's next biggest division, the wines, spirits, and soft drinks side—the Harvey group—being the constant contributor to profits—maintained strong growth and the directors

Robt. Moss advances to £0.51m

AS FORECAST, Robert Moss, the plastic injection moulding group, made further progress in the second half to lift taxable profits from £87,131 to £508,418 in the year to March 31, 1979.

The group is lifting the total dividend from 2.6588p net to 2.716p with a 1.6p final and there is an 11-for-14 scrip issue.

And the board is optimistic about the current year. It is looking for a further profits rise and production is geared for a 25 per cent increase in output.

Turnover for the year rose from £2.25m to £2.73m. Tax took £84,902, against £85,972, and stated earnings per 10p share are up from 5.37p to 7.59p.

The group's next biggest division, the wines, spirits, and soft drinks side—the Harvey group—being the constant contributor to profits—maintained strong growth and the directors

are confident this will continue. Profits from the international division were distorted by the need to provide for a substantial loss on an export order to Iran—profits for 53 weeks were £3.9m against £5.3m for the 52 weeks to September 24, 1977.

Performance in the foods division was also good, as the directors say. The company's recovery path there the adverse effects of industrial disruption, and while problem areas remain, the general trend and prospects are favourable.

As a whole, the components of the whole division are pointing in the right direction, and they look for a continuing recovery and improvement in profitability.

On a CCA basis the annualised pre-tax profit is reduced to £81.8m after additional depreciation of £28.7m; cost of sales adjustment £8.3m; less a gearing factor of 116.6m.

Allied Breweries confident for year

A CONFIDENT outlook is given by Allied Breweries for the current year. In the annual report the directors say that following its restructuring, the beer division is in good heart, and confidently looks forward to the achievement of a faster rate of profit growth in the year.

As reported on June 13, including J. Lyons and Co. from October 1, 1978, taxable profits for the 17 months ended March 3, 1979, came through at £123.5m on sales of £2.16m.

Annualised profits were £112.8m. The final dividend is 1.8214p making a 6.214p net total for the previous 12 months a total of 3.9328p was paid.

The group's next biggest division, the wines, spirits, and soft drinks side—the Harvey group—being the constant contributor to profits—maintained strong growth and the directors

are confident this will continue. Profits from the international division were distorted by the need to provide for a substantial loss on an export order to Iran—profits for 53 weeks were £3.9m against £5.3m for the 52 weeks to September 24, 1977.

Performance in the foods division was also good, as the directors say. The company's recovery path there the adverse effects of industrial disruption, and while problem areas remain, the general trend and prospects are favourable.

As a whole, the components of the whole division are pointing in the right direction, and they look for a continuing recovery and improvement in profitability.

On a CCA basis the annualised pre-tax profit is reduced to £81.8m after additional depreciation of £28.7m; cost of sales adjustment £8.3m; less a gearing factor of 116.6m.

The group's next biggest division, the wines, spirits, and soft drinks side—the Harvey group—being the constant contributor to profits—maintained strong growth and the directors

are confident this will continue. Profits from the international division were distorted by the need to provide for a substantial loss on an export order to Iran—profits for 53 weeks were £3.9m against £5.3m for the 52 weeks to September 24, 1977.

Performance in the foods division was also good, as the directors say. The company's recovery path there the adverse effects of industrial disruption, and while problem areas remain, the general trend and prospects are favourable.

As a whole, the components of the whole division are pointing in the right direction, and they look for a continuing recovery and improvement in profitability.

On a CCA basis the annualised pre-tax profit is reduced to £81.8m after additional depreciation of £28.7m; cost of sales adjustment £8.3m; less a gearing factor of 116.6m.

J. F. Nash prospects encouraging despite £46,000 midyear fall

ENGINEERING subsidiaries' profits more than halved and interest charges undermined performance of J. F. Nash Securities for the first half of 1978-79.

Excluding the results of its listed offshoot Reliant Motor Group, taxable earnings for the first half of 1978-79, on turnover of £156,000 for the six months to March 31, 1979, on turnover ahead from £5.23m to £12m.

The motor company, as already known, continued its recovery with a surplus of £101,000, compared with a £555,000 loss.

Most other subsidiaries reported satisfactory results except for Western Counties Hotels, first consolidated from April 1, 1978, which invariably incurs a loss

during the winter months. Here the deficit was £30,000. The packaging division staged a substantial upturn with sales up 20 per cent and profit by 80 per cent.

There is every indication that group results for the second half will be satisfactory and prospects for the whole year are encouraging, says Mr. J. F. Nash the chairman.

After a £28,000 tax credit, against a £86,000 charge, stated earnings per 5p share were 2.2p higher at 5.5p. The net interim dividend is stepped up from 2.5p to 3p, last time a 3.275p final was paid.

An analysis of turnover and trading profit, shows in £000s packaging £1,034 (£1,366) and £129 (£172); engineering £2,520 (£2,560) and £63,000 (£139,000); construction £1,721 (£283) and £15 (£10); retailing £831 (£833) and £56 (£76); brick manufacturing £347 (£41) and £12 (£5); printing £121 (£88) and £12 (£7) and hotels £221 (£11) and loss £30 (£11).

Central costs and interest of £95,000 (£63,000).

S. LEBOFF The profits available for shareholders of S. Leboff were £805,639 for 1978 compared with £715,278 after crediting minority interests of £136,673 against £7,486 profits last time.

The group's pre-tax profits were reported yesterday.

although the results will be denoted by the cost of the Australian acquisition and starting-up in Switzerland. Analysis expects a pre-tax figure of roughly £17m (£15.7m).

Increased competition in the free trade market was a major factor behind the disappointing first-half results from Scottish and Newcastle Breweries. Pre-tax profits were slightly down at £21.8m and any improvement in the second half will largely depend on whether S & N has been able to recapture its market share.

Price rises in the final quarter eased margin pressures although higher interest costs, might have offset any gains. Public houses and hotels, as well as the wines and spirits division, could have shown any improvement but overall analysts expect little or no rise on last year's

Bishopsgate Prop. again fails on loan deadline

Bishopsgate Property and Investments has again found itself unable to fully repay its foreign currency borrowings in an extended period agreed with the lending banks.

The company, managed by Hambros Bank, said yesterday that it was not in a position to meet the June 29 deadline for the repayment of loans equivalent to about £2.6m.

As a result of the consortium of banks involved had agreed to extend the loan on a demand basis, subject to quarterly reviews.

The loan was due for repayment at the end of 1978 but, when it became clear that this would not be possible, it was agreed that the final repayment would be the final repayment date.

At the end of last year, the borrowings amounted to U.S.\$1.83m and DM 9.94m, equivalent in total to about £2.4m. Yesterday's statement said that the dollar content of the loan had remained unchanged, although the D-mark loan had been reduced by yesterday's date to DM 7.39m.

In addition, the company said it had been today to make a payment of Dutch Florins, equivalent to about £500,000, arising from a guarantee given on a subsidiary's Dutch borrowings.

This loan had also been due for repayment by June 1978 but, now it had been given another extension to meet this obligation.

In December, the company said its ability to clear its foreign currency borrowing by June 1979, depended on the disposal of most of its remaining assets at good prices and that it faced insolvency if this could not be done.

Yesterday's statement said that, despite the further extension of the loans, the company's continued trading still depended on whether successful sales could shortly be achieved. It pointed out that the net asset value of the company was still falling and was small compared with its overall indebtedness. Its remaining assets are virtually all non-revenue producing.

In 1977, Bishopsgate recorded a taxable deficit of £15,000, while in the half-year to December 31, 1978, the pre-tax loss stood at £115,000. The company's borrowings go back to its European activities in conjunction with Berkeley Homes, when it departed from its policy of buying equity stakes in property companies and moved into direct property ventures in France and Germany, in the main financed by multi-currency loans.

Results due next week

In a light week for company reports, I.C. Gas will be giving the market, and its investors, a look at its true worth and the level of profits it is earning on net assets.

Changes in Belgian legislation relating to the preparation of accounts have enabled I.C. Gas to consolidate its Belgian activities. But this is causing problems for analysts attempting to predict the outcome for 1978-79 due to be reported on Tuesday.

Some have decided to stick with estimates of pre-tax profits while others have opted for a net earnings figure. The latter point out that the company said in last year's annual report that its share of earnings from unconsolidated and associated subsidiaries was £4.35m. To this is added last year's reported net earnings of £17.4m giving a total for 1977-78 of £21.75m. With

the latest year expected to show a slight improvement, the net earnings, forecasts range from £22.7m to £24m. The pre-tax profit people have taken last year's figure of £26.3m; added to it the net earnings figure adjusted for tax and also added a little for the expected improvement in performance. Their range is from £34m to £36m.

Electronic Rentals, which recently bought the television rental business of Lloyd's and Scottish for £61m, is due to report its full-year profits to March 31, 1979, next Thursday. About £3m of the acquisition costs are expected to be included as exceptional expenses. Vision—the retail arm—is continuing to go from strength to strength as the retail, camping and leisure divisions. The overseas division should show some overall improvement

figure of £35.4m pre tax. Figures are out on Thursday.

The buoyant trade plus an increase in demand for repair and maintenance work have led analysts to expect a strong performance from SGB Group's domestic subsidiaries. While the overseas picture appears to have been unexciting they expect the group as a whole to report an interim figure between £5.2m and £5.8m pre-tax against last year's £4.4m. Scaffolding is likely to produce the bulk of profits but the biggest jump is expected from the hire shops.

Other companies of note reporting next week include full-year figures from George Bassett and L31 on Tuesday along with the remaining report from Sotherby Parkes. On Wednesday preliminary figures should be released by Charter Consolidated.

Table with columns: Company, Announcement Date, Dividend (p), Last year, Final, Int. Includes FINAL DIVIDENDS: Essold (Gore) Holdings, Becton-Dawson Co., C&D (Dunelm), Craxie Consolidated, Colmore Investments, Edinburgh & General Investments, Electronic Rentals Group, British Cold Clothing Co., Greene King and Sons, Humphreys-Karton, Heston & Millers Group, Humphreys Holdings, Imperial Continental Gas, London & Midlands Industrials, Monk (A) & Co., Reevell Properties, Reevell Holdings, Reevell Holdings, Revalco & Keran Paul.

Swedish Govt. buying part of BP refinery and distribution system

BY WILLIAM DULLFORCE IN STOCKHOLM

BRITISH PETROLEUM is selling 22 per cent of its Gothenburg refinery and 20 per cent of its Swedish distribution system to the state-owned Svenska Petroleum for an undisclosed price.

The sale, which has to be approved by the two boards and the Swedish Government, will be effective from the beginning of next year.

BP is selling the spare capacity in both the refinery and the distribution network, which it also has part of its refining capacity. These deals are now being turned into the sale of BP assets.

The deal should mean a more efficient operation and lower running costs for BP in Sweden. The completion of its sale to Svenska Petroleum products through its distribution system and 1.5m tonnes in direct deliveries to enterprises with their own storage facilities. The distribution system has a capacity of around 3m tonnes a year.

SP will acquire 20 per cent of this network, giving it access to a storage and throughput capacity of around 1m tonnes a year, with an option to buy a further 15 per cent.

The offer compares with last year's closing price of 178p, up 3p. At that level Finlas is valued at £2.51m.

All the directors of Finla intend to accept the offer in respect of their beneficial non-beneficial shareholding amounting to 9.4 per cent of the capital.

Neither Mr. Sanderson, who is the non-executive chairman of Finlas, nor Mr. R. V. C. Robinson, a non-executive director, are listed as trustees of a Sanderson family trust, have participated in the evaluation of the offer.

It is not intended to maintain the listing of Finlas on the Stock Exchange. Challey says that the interests of the staff are safeguarded—no redundancies are anticipated.

MOORHOUSE & BROOK The scheme of arrangement between Moorhouse and Brook, and its shareholders involving the acquisition of the capital by new holding company, Yorklyd has become effective.

Finlas accepts 182p offer

Challey Securities, which is 90 per cent owned by the family trusts of Mr. Frank Sanderson, a former chairman of Bovis, has made a recommendation for the sale of Finlas Holdings worth £2.7m.

Terms are 182p for each ordinary 50p share of Finlas not already owned. Finlas has interests in printing and house building.

The offer compares with last year's closing price of 178p, up 3p. At that level Finlas is valued at £2.51m.

All the directors of Finla intend to accept the offer in respect of their beneficial non-beneficial shareholding amounting to 9.4 per cent of the capital.

Neither Mr. Sanderson, who is the non-executive chairman of Finlas, nor Mr. R. V. C. Robinson, a non-executive director, are listed as trustees of a Sanderson family trust, have participated in the evaluation of the offer.

It is not intended to maintain the listing of Finlas on the Stock Exchange. Challey says that the interests of the staff are safeguarded—no redundancies are anticipated.

MOORHOUSE & BROOK The scheme of arrangement between Moorhouse and Brook, and its shareholders involving the acquisition of the capital by new holding company, Yorklyd has become effective.

Cape Industries sells mines

Cape Industries yesterday signalled what it called "a major change of direction" with the completion of its sale to Transvaal Consolidated Land and Exploration of two South African asbestos mines for a net £15.1m in cash.

The sale follows Cape's conclusion that the mines were becoming isolated both commercially and geographically from the rest of the group's UK business in building materials and engineering, and that management of them could prove a problem in the future.

Profits from this mining division had reached £10m in 1978 but were not expected to match this level again.

With extra funds available, Cape sees the building and insulation field as the best prospect for expansion—it already has the country's largest cavity wall insulation business.

There has been a very rapid growth in the supply of insulation materials in recent years as the cost of energy has increased, said Mr. G. A. Highnam, the chief executive.

Although the group has not settled future dividend policy, it concedes that, with the withdrawal of dividend restraint, it has "some scope for a fairly

significant increase." In 1978, the group's pre-tax profits were £12.7m, with mining contributing £3.5m. Dividends were 9.2443p share.

FOGARTY'S £1.25M PURCHASE In a deal worth £1.25m E. Fogarty and Co., the home furnishings manufacturer, is buying a subsidiary of Walker and Clark, the East Kilbride continental quilt concern.

The subsidiary being sold is David Christie, and the agreement for the sale is conditional on Christie achieving a pre-determined level of profit for the year ending June 30, 1979.

Under the

SUMMARY OF THE WEEK'S COMPANY NEWS

Over bids and deals

Midland Bank made its long-awaited venture into the U.S. and finance markets with a \$520m (£240m) bid for the E. Heller International financial conglomerate. The offer has been agreed in principle on a merger at a price of \$42.50 per share. Heller owns American National Bank, the largest bank in Chicago.

An attempt to revive the ailing fortunes of its troubled offshoot International Stores, IAT Industries is negotiating to acquire the Mac Market supermarket chain from IAT for an estimated cost of about £20m.

James J. James revealed the terms of its increased offer for Hardy & Co. (Furnishers). The new offer is one for every share plus 55p cash for every six Hardy ordinary shares plus 45p cash for every six Hardy 'A' shares.

4A Holdings made an agreed £0.85m bid for loss-making manufacturer Lebus Lebus on the basis of ten ordinary shares for every 29 Lebus. Three months ago, PMA sold furniture concerns Ladyship and Skelham for a total of £5.2m.

Redman reaffirmed its intention to make a £26m bid for Bestobell, limited 200p per share offer has already been rejected by the company on grounds of incompatibility.

Redman International's 65p per share cash bid for an Engineering was immediately rejected by the latter as opportunistic and inadequate. Redman owns 17.6 per cent of the company and the offer is conditional on the latter not proceeding with the acquisition of the Industrial Heating Department U.S. General Electric Company.

Following Willis Faber into joint underwriting management New York Insurance Exchange, the UK insurance concern is forming a new company with Fred S. Howden, the fourth largest quoted insurance broker in the U.S., recently ended its five-year-old equity ties with Minot.

Viscose SA is to make a cash offer for the shares in Viscose which it does not already own on the basis of £1.80 for every share and £7.20 for each 4.2 per cent non-cumulative share. At present, Viscose owns or controls 76.42 per cent of the ordinary and 17.32 per cent of the preference. Independent directors of Viscose and their advisers re-completed.

As part of the company's U.S. acquisition programme, Thornal Industries acquired California-based Syston Denner for \$37m (£13m).

Howells Holdings is in talks which may lead to a major takeover and the placing of 12m ordinary shares in the company.

Central Manufacturing and Trading's discussions about a takeover with an unnamed party broke down, but Hanson Trust, was not involved in the talks, bought 11.4 per cent of the equity in a deal worth £25.6m.

Merger discussions involving Heron Motor and an unnamed party have been terminated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid	Final bid	Acc'tee date
ACE Machinery	130	132	110	200	F. J. C. Lilly	21/7
Allen (Edgar)	69 1/2	65	63	9.83	Aurora Hlds.	11/7
John Bright	40 1/2	39	43	4.28	Largs	—
Farm Free	80 1/2	84	84	1.08	Consortium	—
Hardy & Co. (Furnishers)	130 1/2	128	114	8.53	Harris	—
Hardy & Co. (Furnishers) 'A'	120 1/2	115	82	15.57	Harris	—
James (J.)	82	79	55	23.1	Wisly-Hughes	—
Jeaks & Cattell	81 1/2	84	67	1.22	Armstrong	—
Knot Mill	70 1/2	66	37	2.43	Richd. Queen	—
Lebus (Harris)	41	40	35	0.83	PMA	—
Sekong Rubber	15 1/2	15	10	2.32	Majeed Invs.	—
Sheepbridge Eng.	104	96	66	1.48	GKN	—
Wellman Eng.	65 1/2	68	66	6.03	Roma Heenan	—

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
EATS	Mar.	234,000 (210,000)	10.84† (9.4)
Blundell-Prangtz	Apr.	669 (603)	1.2 (1.14)
Bond St. Fabrics	Mar.	38L (345)	0.5 (0.7)
Braid Group	Mar.	275 (320)	0.5 (0.48)
Caledonian Hldgs.	Mar.	1,240 (825)	—
Cantrside Props.	Mar.	514 (213)	1.4 (1.01)
Cronin Group	Mar.	237 (153)	0.5 (0.80)
Eldridge Pope	Mar.	508 (418)	3.2 (2.53)
FNAC	Apr.	3,670 (6,098)	—
Greenfilds Leisure	Apr.	438 (329)	0.84 (0.63)
Hardys & Hansons	Mar.	940 (793)	2.8 (2.3)
Jackson (J & H B)	Mar.	1,520 (1,200)	0.65 (0.5)
Kenning Motor	Mar.	2,710 (2,750)	1.75 (1.75)
Lookers	Mar.	804 (853)	1.4 (1.0)
Marlow Capital	Mar.	114 (105)	0.5 (0.3)
Priddy T.	Mar.	4,800 (4,800)	1.09 (0.83)
Whittings	Mar.	280L (110)	0.9 (0.9)

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. † Including second interim of 6p (5p). ‡ Profit attributable. § Fully taxed. L Loss.

Rights Issues

B. Elliott: One-for-six at 165p raising £4.71m†
English and Overseas Investment: One 12 per cent cumulative unsecured loan 1980 for 10 ordinary at par raising £1.03m†
Sound Diffusion: One-for-four at 60p raising £1.002m.
UBM: One-for-five at 37p raising £5.553m†

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
ACC	Mar.	16,308 (13,700)	16.5 (16.8)	8.0 (8.6)
Avana Group	Mar.	3,520 (2,340)	10.9 (5.5)	3.5 (1.1)
Batley's	Apr.	610 (518)	13.5 (12.6)	4.2 (3.6)
BPI	Mar.	36,400 (27,250)	55.9 (44.0)	13.2 (7.62)
Brickshaw Dudley	Mar.	2,258 (1,851)	7.2 (6.3)	2.7 (2.3)
British Tar	Mar.	1,315 (1,239)	4.8 (5.1)	2.1 (1.8)
Browlax	Mar.	927 (768)	10.1 (5.1)	4.0 (2.3)
Caledonia Cinemas	Mar.	787 (468)	11.0 (60.5)	6.0 (3.82)
Candaw Int'l.	Mar.	436 (400)	6.5 (5.9)	2.5 (2.46)
Catties Hldgs.	Mar.	1,380 (1,470)	4.1 (3.1)	2.1 (1.78)
CB Inds.	Mar.	624 (798)	4.2 (6.8)	2.2 (2.0)
Chubb & Son	Mar.	19,255 (13,523)	19.4 (17.0)	5.34 (3.87)
Cropper (Jas.)	Mar.	576 (380)	17.38 (11.4)	2.5 (1.5)
Edwards	Mar.	702 (644)	2.4 (1.3)	0.31 (0.73)
Durapple Int'l.	Mar.	1,010 (1,110)	17.0 (16.5)	4.71 (4.06)
Electrocomponents	Mar.	10,020 (10,020)	26.9 (21.7)	6.5 (2.53)
Elliott P'hore	Mar.	813 (220)	4.0 (0.5)	1.0 (0.25)
Giltspar	Mar.	4,520 (3,210)	16.3 (7.7)	3.5 (2.9)
Halm	Mar.	1,130 (84)	8.5 (0.67)	—
Hickling Pentecost	Mar.	894 (600)	29.3 (19.3)	8.6 (7.2)
Holdex (Arthur)	Mar.	1,820 (1,870)	14.3 (12.6)	4.0 (3.28)
Joseph (Leopold)	Mar.	488 (553)	18.6 (21.0)	9.5 (8.71)
LCT Hldgs.	Mar.	6,064 (4,222)	13.8 (14.3)	5.5 (4.78)
Leeds	Mar.	485 (1,020)	3.5 (4.1)	2.0 (1.76)
Marshall's Halifax	Mar.	2,670 (2,160)	26.4 (34.3)	7.5 (5.84)
Melody Mills	Mar.	826 (507)	22.9 (15.9)	6.0 (3.24)
MK Electric	Mar.	8,342 (5,948)	40.4 (31.8)	12.0 (5.89)
Nithm Gldsmiths	Feb.	453 (243)	7.9 (5.4)	2.38 (2.09)
Person (R.)	Mar.	780 (780)	5.6 (5.6)	3.35 (2.55)
Plessey	Mar.	45,245 (42,880)	13.0 (11.6)	6.31 (5.48)
Powell Duffryn	Mar.	12,178 (15,006)	41.8 (29.9)	11.0 (10.0)
Refined	Mar.	45,200 (39,870)	24.5 (20.3)	6.55 (4.22)
Renold	Apr.	10,200 (10,360)	14.9 (17.0)	10.25 (9.54)
Renwick	Mar.	1,870 (1,040)	20.1 (17.6)	7.7 (6.7)
RFB	Feb.	1,327 (1,327)	2.0 (6.3)	—
Sonic	Mar.	255 (164)	7.9 (3.8)	2.55 (2.32)
Stead & Simpson	Mar.	3,300 (2,230)	5.4 (3.7)	2.76 (2.13)
Tranwood	Jan.	105 (62)	0.5 (0.45)	—
Walker & Staff	Mar.	214 (137)	8.2 (7.3)	0.67 (0.57)
Whitecroft	Mar.	5,030 (4,250)	20.1 (17.2)	3.0 (1.0)
Wilson Bros.	Mar.	1,020 (1,090)	6.8 (6.2)	1.8 (1.1)

Scrip Issues

BPI: One-for-one.
Caledonia Cinemas: One 5 1/2 per cent non-cumulative second preference share for one ordinary.
Durapple International: One-for-one.
LCT Hldgs.: One-for-one.
Melody Mills: One-for-one.
Stonehill: One 10 1/2 per cent preference share for seven ordinary.

Offers for sale, placings and introductions

Fairline: Placing of 1,225,000 ordinary 10p shares at 80p.

Seven nations make common pledge to cut oil consumption and develop alternative energy

Tokyo blueprint for fighting world slump

— The following memo was issued yesterday at the end of the seven-nation summit in Bonn.

Heads of State and governments of Canada, the U.S., Italy, Japan, the UK and the U.S. met in Tokyo on 28-29, 1979. The European Union was represented by the President of the European Commission for matters within the Community's competence.

The agreements reached at the summit helped to improve the world economy. There is a reduction of pay-imbalances, and greater stability. But new challenges have arisen, which was not in most countries, is now being felt. Oil prices and oil shortage reduced the room for manoeuvre in economic policy. Inflation is rising in most countries. They will continue to work together to reduce inflation and curb it in both the industrial and developing countries. The

1980 at levels not higher than those of 1979. This commitment will also be monitored.

The seven countries express their will to take the following figures as goals for a ceiling on oil imports in 1985:

● For France, Germany, Italy, and the UK, the 1978 figure. Italy's commitment is accepted in the context of the overall commitment of the European Community.

● Canada, whose oil production will decline dramatically over the period between now and 1985, will reduce its annual average rate of growth of oil consumption to 1 per cent, with the consequent reduction of oil imports by 50,000 barrels per day by 1985. Canada's targets for imports will therefore be 0.6m barrels a day.

● Japan adopts as a 1985 target a level not to exceed the range between 6.3m and 6.9m barrels a day. Japan will review this target periodically and make it more precise in the light of current development and growth projections. It will do its utmost to reduce oil imports through conservation, rationalisation of use and intensive development of alternative energy sources in order to move towards lower figures.

● The U.S. goal for 1985 import levels is not to exceed the levels either of 1977 or the adjusted target for 1979, i.e. 8.5m barrels per day.

These 1985 goals will serve as a reference to monitor both energy conservation and the development of alternative energy sources.

Review

A high-level group of representatives of our countries and of the EEC Commission, within the Organisation for Economic Co-operation and Development, will review periodically the results achieved. Slight adjustments will be allowed to take account of special needs generated by growth. In fulfilling these commitments, our guiding principle will be to obtain fair supplies of oil products for all countries, taking into account the differing patterns of supply, the efforts made to limit oil imports, the economic situation of each country, the quantities of oil available and the potential of each country for energy conservation. We urge other industrialised countries to set similar objectives for themselves.

We agree to take steps to bring into the open the workings of oil markets by setting up a register of international oil transactions. We will urge oil companies and oil-exporting countries to moderate spot market transactions. We will consider the feasibility of requiring that at the time of unloading of oil cargoes, documents be presented indicating the purchase price as certified by the producer country. We will likewise seek to achieve better information on the profit situation of oil companies and on the use of the funds available to these companies.

We agree on the importance of keeping domestic oil prices at world market prices or raising them to this level as soon as possible. We will seek to minimise and finally eliminate administrative action that might put upward pressure on oil prices that result from domestic underpricing of oil and to avoid

damage by matching income increases would simply add to inflation.

5—We agree that we must do more to improve the long-term productive efficiency and flexibility of our economies. The measures needed may include more stimulus for investment and for research and development; steps to make it easier for capital and labour to move from declining to new industries; regulatory policies which avoid unnecessary impediments to investment and productivity, reduced growth in some public sector current expenditures, and removal of impediments to the international flow of trade and capital.

6—The agreements reached in the Tokyo round are an important achievement. We are committed to their early and faithful implementation. We renew our determination to fight protectionism. We want to strengthen the General Agreement on Tariffs and Trade (GATT) both to monitor the agreements reached in the Tokyo round of Multilateral trade negotiations and as an instrument for future policy in maintaining the open world trading system. We will welcome the full participation of as many countries as possible in these agreements and in the system as a whole.

7—We will intensify our efforts to pursue the economic policies appropriate in each of our countries to achieve durable external equilibrium. Stability in the foreign exchange market is essential for the sound development of world trade and the global economy. This has been furthered since the Bonn summit by two important developments: The November 1, 1978 programme of the U.S. in conjunction with other monetary authorities, and the successful emergence of the European Monetary System. We will continue close co-operation in exchange market policies and in support of the effective discharge of the International Monetary Fund of its responsibilities, particularly its surveillance role and its role in strengthening further the international monetary system.

Decision

8. Constructive North-South relations are essential to the health of the world economy. We, for our part, have consistently worked to bring developing countries more fully into the open world trading system and to adjust our economies to changing international circumstances. The problems we face are global. They can only be resolved through shared responsibility and partnership. But this partnership cannot depend solely on the efforts of the industrialised countries. The OPEC countries have just as important a role to play. The latest decision substantially to increase oil prices will also severely increase the problems facing developing countries without oil resources as well as the difficulties for developed countries in helping them. The decision could even have a crippling effect on some of the developing countries. In this situation, we recognise, in particular the need for the flow of financial resources to the developing countries to increase, including private and public, bilateral and multilateral resources. A good investment

Instant tax relief makes Tyndall's new Option Ten Plan even more attractive

From you £33 Plus tax allowance £7 goes into your savings plan £40 per month

Tax provisions have changed and so have investment conditions. So Tyndall's Option Ten Plan is designed to make the most of these changes for everyone who wants to build up capital by regular saving or transfer existing capital into a tax efficient fund. The first of these changes is that from April 6th this year you get instant tax relief of 17 1/2% on your savings. You simply deduct it before you make each monthly or yearly payment. There's also a choice of seven different investment funds and freedom to switch from one to another at low cost as investment conditions change. The funds are in equities, both UK and overseas, property, gilt-edged, deposits and 3-way. After 10 years you can take the proceeds as a lump sum entirely tax-free, or if you want income you can, at the cost of a small annual charge, take an entirely tax-free income at whatever level you choose. This makes it very attractive to higher rate tax payers. The minimum investment in the Tyndall Option Ten Plan is £25 a month or £250 a year. For the full facts about the plan send off the coupon now or telephone Tyndall Client Services Dept, Bristol (0272) 32341, London 01-242 9967 or Edinburgh 031-225 1168.

Tyndall Option Ten Plan
To: Tyndall Assurance Ltd., 18 Canynge Road, Bristol BS99 7UA
Please send me information on the Tyndall Option Ten Plan.
Name _____
Address _____
Age _____

Gartmore Extra Income

Gartmore Extra Income Trust invests in a broad spread of small, sound U.K. companies which offer the prospects of capital growth and increasing dividend payments. The portfolio is comprised entirely of equity shares and, with the anticipated lapsing of dividend restraint, we believe that this Trust is ideally situated to offer investors an increasing level of income payments over the years. This trust, which was launched a year ago, is already valued at over £5 million and is managed by a proven investment team. You should remember that the price of units and the income from them can go down as well as up. You should regard your investment as long term.

GARTMORE
Gartmore Fund Managers Ltd. 2, St. Mary Axe, London EC3A 8BP.
Dealing: 01-633 5766/5768.
General Enquiries: 01-633 6114. (After 5.30 p.m. 01-633 6115)
I wish to buy Gartmore Extra Income units to the value of £1,000 at the offer price of 100p, on the day I receive this application.
I enclose a remittance, payable to Gartmore Fund Managers Ltd.
*For your guidance the offer price of Gartmore Extra Income units on 28th June, 1979 was 20.5p.
I have read and understand the terms and conditions of the prospectus.
I understand that I am not a resident of the United Kingdom and that I am not a resident of the U.S.A. and that I am not a resident of the Republic of Ireland.
SURNAME (MR, MRS, MISS) _____
FIRST NAME(S) IN FULL _____
ADDRESS _____
CITY _____
POSTCODE _____
SIGNATURE _____
I declare my application is true and correct and contains no misstatements.

Platignum

● A 22% increase in profits was achieved on a turnover which rose by 5.6%. Productivity, as measured by sales per employee, has risen by 11%.

● 1979 will see the introduction of further new lines under our policy of diversification and we are moving strongly into the rapidly expanding area of business gifts. Judging by the results of the first 2 1/2 months of trading in the current financial year we expect a further satisfactory growth in profits for the year.

● For a copy of the Report & Accounts, containing the statement by the Chairman, Mr C.P. Andrews, write to the Secretary at the address below.

MENTORE MANUFACTURING CO. LIMITED
Platignum House, Six Hills Way, Stevenage, Herts SG1 2AY.

Alliance Investment Company, Limited

(Member of The Association of Investment Trust Companies)

Highlights of Annual Report for year to 30th April, 1979

	1979	1978	% Change
Net Revenue	£0.716m.	£0.592m.	+21%
Dividend	3.75p	3.00p	+25%
Total Assets	£22.4m.	£19.4m.	+15%
Assets per share	165p	139p	+19%
Retail Price Index	214.2	194.5	+10%

Geographical Spread of Portfolio

U.K.	68%
U.S.A.	13%
Japan	11%
Far East	6%
Elsewhere	3%

Our investment policy remains to achieve, by means of a geographically diversified portfolio, a judicious combination of capital growth and increasing income. Particularly in the United Kingdom we continue to place emphasis on smaller companies with good growth prospects. Overseas, we remain confident in the United States and the Japanese economies despite the present problems caused by the higher energy costs. Both are fundamentally sound and offer a number of unique investment opportunities.

Copies of the Report and Accounts may be obtained from the Secretary.

The Foreign and Colonial Investment Trust Co. Ltd.
General Investors and Trustees, Ltd.
F. & C. Eurotrust Ltd.
Centenary Fund S.A.

The Cardinal Investment Trust Ltd.
Alliance Investment Co., Ltd.
F. & C. Anglo-Nippon Exempt Fund
F. & C. North American Exempt Fund

Foreign and National Investment Fund S.A.
1/2 Laurence Pountney Hill, London EC4R 0BA.
Telephone No. 01-452 4630

WORLD STOCK MARKETS

Wall St. off on Libyan report

INVESTMENT DOLLAR PREMIUM... Effective \$2.800 9 1/2% (12%)... EARLY SMALL gains were reversed on Wall Street yesterday...

rise in the May Index of Leading Indicators after a revised drop of 2 per cent in April... Containing Oil were unchanged at \$38.57...

valued in active trading yesterday morning... The Utilities Index put on 1.04 to 338.30 and Papers 3.50 to 174.88...

Closing prices and market reports were not available for this edition... I pm, making a net loss of 2.60 on the day and \$66 on the week...

more. The AMERICAN SE Market Value Index dipped 26 cents to 200.51, reducing its net rise on the week also to 26 cents.

Canada - A mixed trend prevailed in active trading yesterday morning... The Utilities Index put on 1.04 to 338.30...

NEW YORK - DOW JONES table with columns for June 29, 28, 27, 26, 25, High, Low, and % change.

INDICES table with columns for June 29, 28, 27, 26, 25, High, Low, and % change.

STANDARD AND POORS table with columns for June 29, 28, 27, 26, 25, High, Low, and % change.

F.T. CROSSWORD PUZZLE No. 4009

A price of £5 will be given to each of the senders of the first three correct solutions opened...

Crossword puzzle grid with numbers 1-30 and letters A-Z.

- ACROSS 1 Kind of book given firm support (4, 4) 2 Display added to Scotch (6) 3 Record left to turn in bed (4, 4)...

SOLUTION AND WINNERS OF PUZZLE No. 4009... Following are winners of last Saturday's prize puzzle: Mr. G. C. Coatsell, 15 Arnsroft Crescent, Gloucester.

RACING BY DARE WIGAN

Eastern Spring may beat the favourite

A VAST crowd as usual will turn up at Newcastle this afternoon to watch the Coral North-Underland Plate...

Racing results table for Newcastle, Newmarket, Lingfield, and Doncaster with columns for race name, horse, jockey, and odds.

Health council chairman

THE NEW chairman of the Health Education Council was named yesterday as Dr. Brian Lloyd, Director of Oxford Polytechnic.

SPAIN table with columns for stock price, change, and volume.

BRAZIL table with columns for stock price, change, and volume.

NEW YORK Stock table with columns for Stock, June 29, June 28, June 27, and % change. Includes sub-sections for Rises and Falls, THURSDAY'S ACTIVE STOCKS, and various international markets like GERMANY, AUSTRALIA, PARIS, STOCKHOLM, AMSTERDAM, TOKYO, SWITZERLAND, and OSLO.

Handwritten signature 'Jelly' and other scribbles at the bottom of the page.

Business and Markets

INTERNATIONAL COMPANIES and FINANCE

Bastogi continues search for partners

AGRI-CHEM well established financial company, is continuing its search for fresh partners...

Ford-Werke worried by squeeze on profit margins

FORD-WERKE, the West German subsidiary of the Ford Motor Company, is reporting a slight increase in turnover...

1978—the troubled labour relations which struck production of almost all of the models—will not recur this year...

Government rescues NZ investment society

THE NEW ZEALAND Government has introduced emergency legislation to avoid the collapse of the Public Service Investment Society...

Foreign banks to buy Bankers Trust outlets

THREE FOREIGN banks are expanding significantly their banking interests in New York through the purchase of 55 retail branches currently owned by Bankers Trust of New York...

AMERICA is also moving quickly to expand its New York retail banking presence through the purchase of 10 branches in Westchester County...

French stores group slips into the red

PARIS—The Societe Commerciale de l'Outre Africain, a French retailing group with outlets in West Africa...

Dutch state takes over U.S. stake in Vredestein

B. F. GOODRICH, of the U.S., is to sell its 49 per cent stake in Vredestein, the loss-making Dutch tyre and rubber products manufacturer...

APM seeks takeover of Tasman-UEB Holdings

AUSTRALIAN Paper Manufacturers (APM) yesterday signalled a major restructuring in the nation's fibre container industry...

Superior bids for Canadian associate

HOUSTON—Superior Oil Company has authorised an exchange offer worth over \$500m for the 47 per cent of Canadian Superior Oil not already owned...

Moevenpick increases turnover

Despite this decline in group earnings, net profits for the year ended March 31, 1979, of the parent company Moevenpick Holdings, rose from SwFr 20.7m to SwFr 33.6m...

First Viking Commodity Trusts. Offer 44.6 BID 42.4. Commodity & General Management Co Ltd.

Nov. Coffee 2117-2130. 1. G. Index Limited 01-351 3488. 2. Lagmont Road, London, SW18 0HS.

MARKET REPORTS. BASE METALS. COPPER—Lower again on the London Metal Exchange...

MARKET REPORTS. SILVER. Silver was fixed 0.25p an ounce higher for delivery in the London bullion market yesterday...

MARKET REPORTS. COCOA. Cocoa opened fully steady on news of Ghana petroleum problems...

MARKET REPORTS. WOOL FUTURES. SYDNEY GREASY—Close (in order by seller, business, sales)...

AMERICAN MARKETS. NEW YORK, June 29. FOLLOWING THE release of higher average estimates, the soybean complex closed almost limit down...

COMMODITIES/Weekly review

Razil price move boosts coffee

THE INCREASED Brazilian prices encouraged a £26 rise in the September position on the London futures market...

MARKET REPORTS

BASE METALS. COPPER—Lower again on the London Metal Exchange as a poor close on the New York market...

MARKET REPORTS

SILVER. Silver was fixed 0.25p an ounce higher for delivery in the London bullion market yesterday...

MARKET REPORTS

COCOA. Cocoa opened fully steady on news of Ghana petroleum problems and remained firm throughout the day...

AMERICAN MARKETS

NEW YORK, June 29. FOLLOWING THE release of higher average estimates, the soybean complex closed almost limit down...

PRICE CHANGES

Table with columns: Commodity, Latest price per tonne, Change on week, Year ago, High, Low. Includes items like Wheat, Coffee, Sugar, etc.

MARKET REPORTS

LEAD—Gained ground following chartist support which took forward metal from 570 to the early pre-market to the day's high of 582 on the late Kerb despite forecasts of a moderate increase in warehouse stocks...

MARKET REPORTS

WOOL FUTURES. SYDNEY GREASY—Close (in order by seller, business, sales)...

MARKET REPORTS

SOYABEAN MEAL. The London market opened very weak with losses of 5-25 on a bearish U.S.A. acreage figure...

INDICES

Table with columns: Index Name, June 29, June 28, June 27, Year ago. Includes Dow Jones, FTSE 100, etc.

Financial Times Saturday June 30 1979. Includes small text at the bottom of the page.

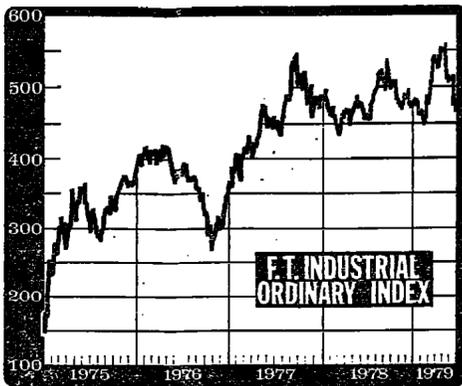
LONDON STOCK EXCHANGE

Overseas funds stimulate Gilts and exhaust short tap Equities follow in wake but settle below best

Account Dealing Dates Option "First Declara- Last Account Dealings Days Dealings Day Jun. 4 Jun. 14 Jun. 15 Jun. 26 Jun. 18 Jun. 28 Jun. 29 Jun. 10 July 2 July 12 July 13 July 24 July 25 July 27 Aug. 7

expense of shorter-dated issues. The development aroused considerable interest in the market as a whole and brought gains extending to 3 among high coupon gilts, but the exhausted short tap, after reaching 50, eased to close unchanged at 50.

difficulties already being experienced in fiercely competitive export markets. The major exporters were thus singled out by sellers and none more so than ICI, although selling here was largely confined with on-account professional business.



FINANCIAL TIMES STOCK INDICES Table with columns for various indices like Government Secs, Fixed Interest, Industrial, Gold Mines, etc., and rows for different dates from June 29 to June 27.

HIGHS AND LOWS S.E. ACTIVITY Table showing high and low values for various indices and stock activity for the period from 1979 to 1978.

LONDON TRADED OPTIONS Table with columns for Option, Ex'n's, Closing price, Vol., and Equity close. It lists various options for different stocks and dates.

Discount houses mirrored the strength of Gilt-edged with gains to 10. In contrast, the major elements were a gain on the Midland's 20m bid for Walter E. Heller International.

badly handled buying order before settling at 62p for a net gain of 2 in sharp contrast. J. J. Lees dropped 5 to 38p on the lower annual profits.

The latter rose \$2.50 to \$29.875 an ounce yesterday, while Press Gold Mines fell to \$25.00. The Gold Mines index dropped a further 6.6 to 167.9.

RISES AND FALLS Table showing changes in various market indices like British Funds, Corporate, Industrial, etc.

NEW HIGHS AND LOWS FOR 1979 Table listing new high and low prices for various stocks in 1979.

RECENT ISSUES Table listing recent stock issues, including company names, amounts, and dates.

OPTIONS DEALING DATES Table listing option dealing dates and settlement dates for various options.

ACTIVE STOCKS YESTERDAY Table showing active stock prices and changes from the previous day.

FIXED INTEREST STOCKS Table listing prices and yields for various fixed interest stocks.

"RIGHTS" OFFERS Table listing rights offers and their respective prices and terms.

FT-ACTUARIES SHARE INDICES Table showing share indices for various actuarial groups.

BASE LENDING RATES Table showing base lending rates for various banks and financial institutions.

FIXED INTEREST PRICE INDICES Table showing price indices for various fixed interest instruments.

FIXED INTEREST YIELDS Table showing yields for various fixed interest instruments.

Table showing various financial data and indices, possibly related to the FT-Actuaries Share Indices.

Table listing various financial data, possibly related to the Base Lending Rates or other market indicators.

Table listing various financial data, possibly related to the Fixed Interest Stocks or other market indicators.

Table listing various financial data, possibly related to the Fixed Interest Yields or other market indicators.

Table listing various financial data, possibly related to the FT-Actuaries Share Indices or other market indicators.

Handwritten signature or mark at the bottom of the page.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Minster Fund Managers Ltd., Friends' Provident Unit Trs Mgrs, and others, with columns for name, address, and contact information.

Table listing insurance and property bonds companies including Prudential, Reliance Unit Mgrs, and others, with columns for name, address, and contact information.

INSURANCE AND PROPERTY BONDS

Table listing insurance and property bonds companies including Prudential, Reliance Unit Mgrs, and others, with columns for name, address, and contact information.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds such as Alexander Fund, Allen Harvey & Ross Inv. Mgt., and others, with columns for name, address, and contact information.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds such as Alexander Fund, Allen Harvey & Ross Inv. Mgt., and others, with columns for name, address, and contact information.

Notes and disclaimers regarding the information provided in the financial listings, including a warning about the risks of investment and the accuracy of the data.

